ASPECTS OF BRITAIN

# Survey of Current Affairs

June 1992 Vol 22 No 6

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**NOTE**

The term 'Britain' is used informally in the *Survey of Current Affairs* to mean the United Kingdom of Great Britain and Northern Ireland. 'Great Britain' comprises England, Wales and Scotland.

# Government and Administration

## Government Ministers

**Following the recent ministerial appointments (see pp 92-4 and 123-6) a full list of government ministers is given below.**

**Ministry of Agriculture, Fisheries and Food**

*Minister*
Rt Hon John Gummer, MP

*Minister of State*
Mr David Curry, MP

*Parliamentary Secretaries*
The Earl Howe

The Hon Nicholas Soames, MP

**Ministry of Defence**

*Secretary of State*
Rt Hon Malcolm Rifkind, QC, MP

*Ministers of State*
Mr Jonathan Aitken, MP

Rt Hon Archibald Hamilton, MP

*Parliamentary Under-Secretary of State*
The Viscount Cranborne [who sits in the House of Lords as The Lord Cecil]

**Department for Education**

*Secretary of State*
Rt Hon John Patten, MP

*Minister of State*
The Baroness Blatch, CBE

*Parliamentary Under-Secretaries of State*
Mr Nigel Forman, MP

Mr Eric Forth, MP

**Department of Employment**

*Secretary of State*
Rt Hon Gillian Shephard, MP

*Minister of State*
Mr Michael Forsyth, MP

*Parliamentary Under-Secretaries of State*
Mr Patrick McLoughlin, MP

The Viscount Ullswater

**Department of the Environment**

*Secretary of State*
Rt Hon Michael Howard, QC, MP

*Ministers of State*
Mr David Maclean, MP

Mr John Redwood, MP

Sir George Young, Bt, MP

*Parliamentary Under-Secretaries of State*
Mr Anthony Baldry, MP

Mr Robin Squire, MP

The Lord Strathclyde

**Foreign & Commonwealth Office**

*Secretary of State for Foreign and Commonwealth Affairs*
Rt Hon Douglas Hurd, CBE, MP

*Ministers of State*
Rt Hon The Baroness Chalker of Wallasey (Minister for Overseas Development)

Rt Hon Tristan Garel-Jones, MP

Rt Hon Alastair Goodlad, MP

Rt Hon Douglas Hogg, QC, MP

*Parliamentary Under-Secretary of State*
The Hon Mark Lennox-Boyd, MP

**Department of Health**

*Secretary of State*
Rt Hon Virginia Bottomley, MP

*Minister of State*
Dr Brian Mawhinney, MP

*Parliamentary Under-Secretaries of State*
The Baroness Cumberlege, CBE
The Hon Thomas Sackville, MP
Mr Timothy Yeo, MP

**Home Office**
*Secretary of State for the Home Department*
Rt Hon Kenneth Clarke, QC, MP

*Ministers of State*
Rt Hon The Earl Ferrers
Mr Michael Jack, MP
Mr Peter Lloyd, MP

*Parliamentary Under-Secretary of State*
Mr Charles Wardle, MP

**Law Officers' Department**
*Attorney General*
Rt Hon Sir Nicholas Lyell, QC, MP

*Solicitor General*
Sir Derek Spencer, QC, MP

**Lord Advocate's Department**
*Lord Advocate*
Rt Hon The Earl Rodger of Earlsferry, QC

*Solicitor General for Scotland*
Mr Thomas Dawson, QC

**Lord Chancellor's Department**
*Lord Chancellor*
Rt Hon The Lord Mackay of Clashfern, FRSE

*Parliamentary Under-Secretary of State*
Mr John Taylor, MP

**Department of National Heritage**
*Secretary of State*
Rt Hon David Mellor, QC, MP

*Parliamentary Under-Secretary of State*
Mr Robert Key, MP

**Northern Ireland Office**
*Secretary of State for Northern Ireland*
Rt Hon Sir Patrick Mayhew, QC, MP

*Ministers of State*
Mr Robert Atkins, MP
Mr Michael Mates, MP

*Parliamentary Under-Secretaries of State*
The Earl of Arran
Mr Jeremy Hanley, MP

**Office of Public Service and Science**
(see p 163)
*Chancellor of the Duchy of Lancaster and Minister of Public Service and Science*
Rt Hon William Waldegrave, MP

*Parliamentary Under-Secretary of State*
Mr Robert Jackson, MP

**Privy Council Office**
*Lord President of the Council and Leader of the House of Commons*
Rt Hon Antony Newton, OBE, MP

*Lord Privy Seal and Leader of the House of Lords*
Rt Hon The Lord Wakeham

**Scottish Office**
*Secretary of State for Scotland*
Rt Hon Ian Lang, MP

*Minister of State*
Rt Hon The Lord Fraser of Carmyllie, QC

*Parliamentary Under-Secretaries of State*
Lord James Douglas-Hamilton, MP
Sir Hector Monro, MP
Mr Allan Stewart, MP

**Department of Social Security**
*Secretary of State*
Rt Hon Peter Lilley, MP

*Minister of State*
Rt Hon Nicholas Scott, MBE, MP

*Parliamentary Under-Secretaries of State*
Mr Alistair Burt, MP
The Lord Henley
Miss Ann Widdecombe, MP

**Department of Trade and Industry**
*President of the Board of Trade (Secretary of State for Trade and Industry)*
Rt Hon Michael Heseltine, MP

*Ministers of State*
Rt Hon Timothy Eggar, MP
Mr Richard Needham, MP
Rt Hon Timothy Sainsbury, MP

*Parliamentary Under-Secretaries of State*
The Baroness Denton of Wakefield, CBE
Mr Neil Hamilton, MP
Mr Edward Leigh, MP

**Department of Transport**

*Secretary of State*
Rt Hon John MacGregor, OBE, MP

*Ministers of State*
Rt Hon The Earl of Caithness

Mr Roger Freeman, MP

*Parliamentary Under-Secretaries of State*
Mr Kenneth Carlisle, MP

Mr Steven Norris, MP

**HM Treasury**

*Prime Minister, First Lord of the Treasury and Minister for the Civil Service*
Rt Hon John Major, MP

*Chancellor of the Exchequer*
Rt Hon Norman Lamont, MP

*Chief Secretary to the Treasury*
Rt Hon Michael Portillo, MP

*Financial Secretary to the Treasury*
Mr Stephen Dorrell, MP

*Paymaster General*
Rt Hon Sir John Cope, MP

*Economic Secretary to the Treasury*
Mr Anthony Nelson, MP

**Welsh Office**

*Secretary of State for Wales*
Rt Hon David Hunt, MBE, MP

*Minister of State*
Rt Hon Sir Wyn Roberts, MP

*Parliamentary Under-Secretary of State*
Mr Gwilym Jones, MP

**Government Whips in the House of Commons**

*Parliamentary Secretary to the Treasury (Chief Whip)*
Rt Hon Richard Ryder, OBE, MP

*Treasurer of Her Majesty's Household (Deputy Chief Whip)*
Mr David Heathcoat-Amory, MP

*Comptroller of Her Majesty's Household*
Mr David Lightbown, MP

*Vice-Chamberlain of Her Majesty's Household*
Mr Sydney Chapman, MP

*Lords Commissioners of Her Majesty's Treasury (Whips)*
Mr Greg Knight, MP

Mr Irvine Patnick, OBE, MP

Mr Nicholas Baker, MP

Mr Timothy Wood, MP

Mr Timothy Boswell, MP

*Assistant Whips*
Mr Timothy Kirkhope, MP

Mr David Davis, MP

Mr Andrew Mackay, MP

Mr Robert Hughes, MP

Mr James Arbuthnot, MP

**Government Whips in the House of Lords**

*Captain of the Gentlemen-at-Arms (Chief Whip)*
Rt Hon The Lord Hesketh

*Captain of the Yeomen of the Guard (Deputy Chief Whip)*
The Earl of Strathmore and Kinghorne

*Lords in Waiting (Whips)*
The Viscount Long

The Viscount Astor

Rt Hon The Baroness Trumpington

The Viscount St Davids

The Viscount Goschen

Short biographical notes on all members of the Cabinet will appear in next month's issue.

## Cabinet Committees

**Details of Cabinet committees were published for the first time on 19 May.**

The Prime Minister, Mr John Major, said that in the interests of greater openness about the machinery of government he had decided to publish the memorandum of guidance circulated to ministers as *Questions of Procedure for Ministers* and the names and membership of the standing ministerial committees, sub-committees and working groups (*Hansard*, Vol 208, No 15, cols 110-18).

The names of Cabinet committees and working groups and the ministers who chair them are as follows:

*Ministerial Committee on Economic and Domestic Policy (EDP)*

Chairman: The Prime Minister

*Ministerial Committee on Defence and Overseas Policy (OPD)*

Chairman: The Prime Minister

*Ministerial Committee on the Gulf (OPDG)*

Chairman: The Prime Minister

*Ministerial Committee on Nuclear Defence Policy (OPDN)*

Chairman: The Prime Minister

*Ministerial Committee on European Security (OPDSE)*

Chairman: The Prime Minister

*Ministerial Committee on Hong Kong and Other Dependent Territories (OPDK)*

Chairman: The Prime Minister

(The Committee's terms of reference are 'to keep under review the implementation of the agreement with the Chinese on the future of Hong Kong and the implications of that agreement for the Government of Hong Kong and the wellbeing of its people; and to keep under review as necessary the Government's policy towards other Dependent Territories'.)

*Ministerial Committee on Northern Ireland (NI)*

Chairman: The Prime Minister

*Ministerial Committee on Science and Technology (EDS)*

Chairman: The Prime Minister

*Ministerial Committee on the Intelligence Services (IS)*

Chairman: The Prime Minister

*Ministerial Committee on Industrial, Commercial and Consumer Affairs (EDI)*

Chairman: The Lord Privy Seal

*Ministerial Committee on the Environment (EDE)*

Chairman: The Lord Privy Seal

*Ministerial Committee on Home and Social Affairs (EDH)*

Chairman: The Lord Privy Seal

*Ministerial Committee on Local Government (EDL)*

Chairman: The Lord Privy Seal

*Ministerial Committee on the Queen's Speeches and Future Legislation (FLG)*

Chairman: The Lord President of the Council

*Ministerial Committee on Legislation (LG)*

Chairman: The Lord President of the Council

(The Committee's terms of reference are 'to examine all draft Bills, to consider the parliamentary handling of government bills, European Community documents and Private Members' business, and such other related matters as may be necessary; and to keep under review the Government's policy in relation to issues of parliamentary procedures'.)

*Ministerial Committee on Civil Service Pay (EDC)*

Chairman: The Lord President of the Council

*Ministerial Sub-Committee on Health Strategy (EDH[H])*

Chairman: The Lord President of the Council

*Ministerial Sub-Committee on Public Sector Pay (EDI[P])*

Chairman: The Lord Privy Seal

*Ministerial Sub-Committee on European Questions (OPD[E])*

Chairman: Secretary of State for Foreign and Commonwealth Affairs

(The Committee's terms of reference are 'to consider questions relating to the United Kingdom's membership of the European Community and to report as necessary to the Ministerial Committee on Defence and Overseas Policy'.)

*Ministerial Sub-Committee on Eastern Europe (OPD[AE])*

Chairman: Secretary of State for Foreign and Commonwealth Affairs

(The Committee's terms of reference are 'to consider questions relating to Britain's policy

of assisting change in the former Soviet republics and other former Communist countries in Europe and report as necessary to the Ministerial Committee on Defence and Overseas Policy'.)

*Ministerial Sub-Committee on Terrorism (OPD[T])*

Chairman: Secretary of State for the Home Department

*Ministerial Sub-Committee on London (EDL[L])*

Chairman: Secretary of State for the Environment

*Ministerial Sub-Committee on Drug Misuse (EDH[D])*

Chairman: Lord President of the Council

(The Committee's terms of reference are 'to co-ordinate the Government's national and international policies for tackling drugs misuse, and report as necessary to the Ministerial Committee on Home and Social Affairs'.)

*Ministerial Sub-Committee on Co-ordination of Urban Policy (EDH[U])*

Chairman: Secretary of State for the Environment

*Ministerial Sub-Committee on Alcohol Misuse (EDH[A])*

Chairman: Chancellor of the Duchy of Lancaster

*Ministerial Sub-Committee on Women's Issues (EDH[W])*

Chairman: Secretary of State for Employment

## Criminal Statistics

**Statistics relating to crime and criminal proceedings in England and Wales for the year 1990 were published on 21 May.**

The annual statistics[1] include information on recorded crime, the use of firearms, homicides, court proceedings and sentencing as well as on appeals and the use of remand.

### Recorded Crime

In 1990 the police recorded about 4.5 million notifiable offences. Large increases were recorded in the number of offences of theft and handling stolen goods (18 per cent) and burglary (22 per cent). However, there was only a 4 per cent increase for offences of violence against the person and a 2 per cent fall for sexual offences. Overall, 94 per cent were crimes against property and 6 per cent were violent crimes. The number of offences per 100,000 population was about 8,600.

The number of offences cleared up by the police in 1990 totalled 1.4 million or 32 per cent. This was about 13,000 more than in 1989. Most of the more serious offences are cleared up. In 1990 about 75 per cent of offences of violence against the person (over 90 per cent for homicide) and sexual offences, and about 60 per cent of fraud and forgery offences were cleared up. Less serious, but more common, offences have lower clear-up rates.

### Use of Firearms

In 1990 police recorded about 10,400 offences in which firearms (weapons covered by the Firearms Acts 1968 to 1988 – see pp 94-6) were reported to have been involved, a 9 per cent increase on the figure in 1989. About 0.2 per cent of all recorded notifiable offences involved the use of a firearm. This figure is unchanged since 1980. For robbery the rate was 11 per cent and for homicide 9 per cent.

### Homicide

The term 'homicide' covers the offences of murder, manslaughter and infanticide. In 1990, 664 offences were initially recorded as homicide, compared with 627 in 1989. Of this figure, 57 cases were reclassified by 1 September 1991 and were no longer recorded as homicides.

Offences in which the victim was acquainted with the main suspect accounted for 61 per cent of all offences involving a male victim, and 80 per cent of those involving a female victim. A far higher proportion of fe-

[1] *Criminal Statistics England and Wales 1990.* Cm 1935. HMSO, £19.90. ISBN 0 10 119352 1.

male victims (38 per cent in 1990) compared with male victims (5 per cent) were killed by their present or former spouse or cohabitant.

**Offenders Cautioned or Found Guilty**

Offenders found guilty or cautioned[1] for indictable offences[2] in 1990 totalled 509,000, 7 per cent more than in 1989. Of these, 46 per cent were involved in offences of theft and handling stolen goods and 17 per cent in offences of violence.

The cautioning rate (the number of people cautioned expressed as a percentage of the number of people found guilty or cautioned) for indictable offences rose to 33 per cent in 1990 from 29 per cent in 1989. This increase was spread across all age groups, although the largest rises applied to 14-year-olds and under 17-year-olds (up 5 per cent to 69 per cent).

The overall rate of offending for indictable offences was 1,150 per 100,000 of the population, representing a reversal of the decreases that have occurred since 1985. In 1990 the peak age of known offending per 100,000 of the population was 18 years for males and 15 years for females.

**Court Proceedings**

About 1.89 million defendants were proceeded against in 1990 at magistrates' courts in England and Wales, an increase of 1 per cent compared to 1989. The number of defendants proceeded against for indictable offences increased to 469,000, 4 per cent higher than in 1989.

The average time from offence to disposal for indictable offences at magistrates' courts increased by five days, mainly due to an increase in the time spent in court.

The proportion of people committed for trial at the Crown Court fell by 1 per cent to about 98,000. In 1990, 34 per cent of appellants to the Crown Court and 12 per cent of appellants to the Court of Appeal were successful in their appeals against conviction.

**Sentencing**

In 1990, 1.51 million offenders were sentenced by the courts, virtually the same number as in 1989 (1.53 million). Those sentenced for indictable offences increased from 339,000 in 1989 to 342,000.

The fine has continued to be the most common sentence and was imposed on 79 per cent of offenders. It was most frequently used for summary offences (94 per cent for motoring and 85 per cent for non-motoring), although 39 per cent of indictable offences were also dealt with by a fine.

The other main non-custodial sentence was the conditional discharge, which was given to 94,000 offenders in 1990, 9,100 more than in 1989. A probation order was given to 48,000 offenders (3,500 more than in 1989) and a community service order to about 39,000 (compared with 34,000 in 1989).

The number of offenders sentenced to immediate custody for all types of offences fell by 10 per cent to 57,600 in 1990 from 64,100 in the previous year. Of these, 41,400 were sentenced to imprisonment and 16,200 to detention in a young offender institution.

The number of juveniles sentenced in 1990 fell by 200 to 2,600 for males aged 10 to 13 years and by 1,600 to 19,500 for males aged 14 to 16 years. However, the number of 17- to 20-year-old males who were sentenced rose by 1,000 to 84,000. Between 1989 and 1990 average sentence lengths for indictable offences for adult males fell at magistrates' courts (from 2.7 to 2.6 months) but, at the Crown Court remained at 20.5 months.

**Use of Police Bail and Court Remand**

Of the 1.97 million people whose cases were disposed of at magistrates' courts in 1990, 61 per cent were summoned,[1] 34 per cent were arrested and bailed and 6 per cent were arrested and held in custody until first court appearance. The number of people arrested and charged increased in 1990 to 780,000, although the proportion held in custody (111,000) fell by 1 per cent to 14 per cent.

[1] A police caution is a formal warning given to a person who admits to having committed a criminal offence which could have led to a prosecution.

[2] The definition of indictable cases includes all those which, in the case of an adult, must be tried in the Crown Court (indictable only) and those which may be tried either at the magistrates' court or the Crown Court (triable either way). Indictable offences tend to be the more serious and complex cases.

[1] A summons is a call to appear before a judge or court.

People charged at a magistrates' court are often dealt with by the magistrates on their first appearance, but in a substantial proportion of cases it is necessary to adjourn the proceedings to another day. About 490,000 people were remanded[1] at magistrates' courts in 1990, 11 per cent more than in 1989.

Where defendants are remanded to another sitting of the court, the court decides whether they are to spend the intervening period on bail or in custody. In 1990 about 49,000 people (or 10 per cent) were recorded as remanded in custody at some stage of the proceedings, the majority for indictable offences.

In 1990 the proportion of people committed for trial at the Crown Court in custody fell by 2 per cent to 19 per cent (about 20,000 people).

A person who is summoned or released on bail and who fails to appear at his or her next scheduled court appearance with no *bona fide* reason is deemed to have absconded. In 1990, of the 1.2 million people who were summoned, only 2.2 per cent failed to appear. Of about 666,000 people arrested and bailed by the police only 6 per cent failed to appear. About 7 per cent of those bailed by magistrates to make a further appearance did not comply.

## Criminal Courts

**Far more criminal cases could be dealt with at magistrates' courts instead of Crown Courts in England and Wales, resulting in quicker justice and reduced costs, says a Home Office research study.**

### Background

Very serious offences, such as murder, manslaughter, rape and robbery, are tried on indictment only by the Crown Court, where all contested trials are presided over by a judge sitting with a jury. Summary offences – the least serious offences and the vast majority of criminal cases – are tried by unpaid lay magistrates or by a few paid stipendiary magistrates; both sit without a jury.

A third category of offences, such as theft, burglary or many assault cases, are known as 'either way' offences. They can be tried either by magistrates or by jury in the Crown Court. Where magistrates consider a case to be too serious for them to deal with, they may commit it for trial at the Crown Court. If magistrates are content to deal with the case, the accused must then decide whether to accept summary jurisdiction or exercise the right to be tried by jury in the Crown Court.

### Home Office Study

The research study[1], published on 12 May, states that the large increase in the proportion of triable either way cases which have been committed to the Crown Court has contributed to an increase in the remand population and the sentenced prison population. It also has substantial resource implications for the Crown Prosecution Service, the courts and the legal aid fund.

The research examines the factors underlying decisions by magistrates to direct cases to the Crown Court for trial, and (subsequently convicted) defendants' decisions to have their case heard in the Crown Court.

*Findings*

The main findings of the study are:

– almost 60 per cent of cases dealt with in the Crown Court were sent there because magistrates declined jurisdiction; yet magistrates' sentencing powers would have been sufficient to deal with the majority of these cases;

– nearly three-quarters of those defendants denied a choice of venue would have chosen to be dealt with at a magistrates' court (mostly in the expectation of a lighter sentence and/or a quicker trial);

– most of those who chose to be dealt with at the Crown Court were influenced by the prospect of acquittal, yet the majority – 82 per cent – ended up pleading guilty to all charges on which they were subsequently convicted;

[1] Remand means the committal of an accused person to custody or his or her release on bail during an adjournment.

[1] *Magistrates' Court or Crown Court? Mode of Trial Decisions and Sentencing.* Home Office Research Study 125. HMSO, £6.25. ISBN 0 11 341036 0.

– more than half of those who chose Crown Court trial said that the possibility of a lighter sentence at Crown Court influenced their decision, yet the Crown Court made far more use of custody than magistrates' courts, irrespective of the area, imposing more than seven times as much overall in comparable cases;

– some 70 per cent of those who chose Crown Court trial had done so on the advice of a solicitor or barrister, while only 5 per cent had been advised to opt for summary trial;

– a substantial number of defendants, including some who intended to plead guilty from the outset, chose to be dealt with at the Crown Court because they did not trust magistrates to give due weight to their case, often feeling that they would be biased in favour of the police; and

– even where magistrates declined jurisdiction, over half the defendants received sentences that could have been imposed by magistrates.

*Conclusions*

The study concludes that many more cases could be dealt with quite satisfactorily at magistrates' courts and would probably lead to a reduction in the use of custody and sentence lengths. The findings are being discussed by the Home Office, the Crown Prosecution Service and the Lord Chancellor's Department. It is hoped that the report will help in the development of policies which will reverse the trend towards Crown Court trial for either way offences.

## The Police Service

**The Home Secretary, Mr Kenneth Clarke, has announced a fundamental review of the police service covering the roles, responsibilities, careers, rank structure and pay arrangements of police officers.**

In a speech to the Police Federation Conference on 20 May, Mr Clarke said that there was a need for an objective assessment of the impact of the changing nature of policing. He announced that he was establishing a wide-ranging inquiry, which would report by the end of May 1993 and which would be open to views from police officers, staff associations, police authorities, politicians and the public. The inquiry's terms of reference and names of its members would be announced within six weeks.

He acknowledged that the police service was responding to demands for quality in service to the public and was examining ways of measuring its performance. He also welcomed the move to local policing, with its emphasis on greater delegation of management control to those commanders in direct charge of operations in the local area. It was an appropriate time, he considered, to take stock of such developments through an independent look at roles and responsibilities, careers and performance, management, leadership and rewards.

Continuing, Mr Clarke said: 'My intention is to maintain the direction and momentum of change for the better already being made by police forces themselves. I intend to reinforce the police in their determination to keep public confidence by demonstrating their fairness, their efficiency, their effectiveness, their willingness to modernise themselves.'

**Remit of the Inquiry**

The inquiry would be asked, Mr Clarke explained, to recommend what changes, if any, would be appropriate in the rank structure and pay arrangements of the police service in Britain. It would examine whether there could be more flexibility in the determination of police pay to match more fairly the contribution of each officer.

Mr Clarke said that research into the roles and responsibilities of police officers as well as staffing profiles and related issues would be commissioned while the inquiry was being established. This research would then be managed and steered by the inquiry. He considered that the research findings would be of direct value to the management of the police service, regardless of the use to which they might be put by the inquiry. In addition, open examination of the findings would promote a better public understanding of police issues.

Commenting on the timescale of the inquiry, Mr Clarke said that the need for early recommendations did not mean that substance would be sacrificed to speed. 'But I do not believe that it would be helpful to either the public or the police service if issues of this magnitude were allowed to remain unresolved for several years.' He added that the recommendations of the inquiry could be considered at the same time as any relevant changes in the police service which might be suggested by the Royal Commission on Criminal Justice (see pp 132-5, 1991).

Concluding, Mr Clarke said: 'You, the police service, will have my full support in every practical way for the service that you give. I am determined to ensure that any decisions which are taken on matters crucial to the future of so important a service should be taken on the basis of an open, well-informed and independent assessment of needs and on informed debate and comment by those most directly concerned.'

## Counter-terrorism

**The lead responsibility for intelligence work against Irish republican terrorism in England, Wales and Scotland is to pass from the Metropolitan Police Special Branch to the Security Service.**

Giving details in the House of Commons on 8 May (*Hansard*, Vol 207, No 8, cols 297-306), the Home Secretary, Mr Kenneth Clarke, said that this move would bring arrangements broadly into line with those already existing for other forms of terrorism. The purpose of the change was to enable the Security Service 'to use to the full the skills and expertise which it has developed over the years in its work on counter-terrorism'. The Special Branch would continue to play an indispensable part in intelligence work against Irish republican groups and would continue to work in close co-operation with the Security Service.

Mr Clarke said that the police service would remain responsible for protecting the public against terrorism and for investigating terrorist offences. Moreover, the commander of the Metropolitan Police anti-terrorist branch would remain as national co-ordinator of police counter-terrorist investigations. 'It is only in the lead responsibility for the intelligence work', said Mr Clarke, 'that a change is being made'.

Mr Clarke concluded: 'The need for effective action against terrorism speaks for itself. It calls for the best use of all the skills and experience available within the law to the Government. The decision that I have announced is designed to strengthen still further the effective intelligence work already being done against Irish republican terrorism in Great Britain, a task in which both the Security Service and the police have vital roles to play. The Government will keep these arrangements under review and where they can be improved still further, we shall take the necessary action.'

Commenting on the Home Secretary's announcement on 8 May, the Security Service Director General, Mrs Stella Rimington, said: 'We welcome the decision ... to ask the Security Service to take on the lead role for intelligence work against Irish republican terrorism on the mainland. We look forward to strengthening still further our already close co-operation with the police service and combining our skills even more effectively with theirs to help them bring terrorists to justice.'

### Background

Before the change was announced the Special Branch had lead responsibility for the acquisition, processing and use of intelligence against Irish republican terrorism in England, Scotland and Wales. The Security Service took the lead responsibility for intelligence work against all other forms of terrorism, including Irish loyalist and international terrorism and against Irish republican terrorism overseas. The Security Service also contributed to the acquisition and assessment of intelligence against Irish republican terrorism and worked very closely with the police in this field.

The Metropolitan Police and the Security Service are accountable to Parliament through the Home Secretary.

# Prevention of Terrorism in Northern Ireland

**An independent commissioner is to be appointed by the Government to ensure that safeguards designed to protect the interests of people detained by the security forces in Northern Ireland are being fully implemented.**

This measure was announced by the Secretary of State for Northern Ireland, Sir Patrick Mayhew, on 10 June during a House of Commons debate on the renewal of emergency legislation – the Northern Ireland (Emergency Provisions) Act 1991 – operating in the province.

### Background

Under the Act, the security forces have special powers to search, question and arrest, but these are subject to certain safeguards. They can stop and question people about their identity or movements only for so long as is necessary. Details about searches of premises, houses and, in some cases, vehicles have to be recorded in writing.

The Act requires the Government to produce codes of practice governing the detention, treatment, questioning and identification of terrorist suspects in police custody; the Government is planning to publish these codes in conformity with the Act's provisions. There are statutory rights for arrested people to have a person informed of their arrest and whereabouts and to have access to legal advice. All interviews are recorded by closed-circuit television. Detailed custody records are maintained in writing. There is a right to regular medical examinations and to a continuous period of at least eight hours' rest in any period of 24 hours free from questioning, travel or interruption.

Under the Act, it is an offence to possess items intended for use by terrorists and to direct terrorist organisations. The security services have the power to examine documents and other recorded data found during searches. There are also special powers to investigate terrorist finances.

The Act also provides the legal basis for the trial of terrorist-type offences by a single judge because of the possibility of jurors being intimidated by terrorists. The onus, however, remains on the prosecution to prove guilt beyond reasonable doubt. The accused has the right to be represented by a lawyer. If the judge decides to convict, he or she is required to set out the reasons fully in writing; the defendant has an unfettered right to appeal against conviction or sentence.

## PARLIAMENTARY DEBATE

### Government Statement

Opening the debate on 10 June (*Hansard*, Vol 209, No 25, cols 369-420), Sir Patrick Mayhew said that the Order before the House would renew the emergency powers for a year. These powers regrettably remained essential and the Government intended to use them 'with sensitivity, but with unremitting resolution'. During the past 12 months violence from terrorists on both sides of the community had occurred, resulting in 101 deaths since July 1991. Many more people had been injured while homes and livelihoods had been destroyed by bombs and incendiaries 'recklessly strewn in the midst of human beings or in the premises of businesses which provide employment and prosperity'.

The toll, continued Sir Patrick, would have been much higher had it not been for the action of the security forces, which had forced the terrorists to abort many of their intended operations. In 1991, 391 people had been charged with terrorist-type offences, including 120 with murder or attempted murder. Measures were being taken to improve the effectiveness of the security forces' operations. A second deputy chief constable had been appointed with responsibility for all operational police work, including the gathering of counter-terrorist intelligence and its prompt use by the police and the Army.

#### *Holding of Suspects*

Commenting on police holding centres, Sir Patrick stressed that allegations of ill-treatment of people in custody had to be dealt with in such a way as to secure the confidence of the public. 'The maintenance of the rule of law requires compliance from the police as much as from everyone else. Physical assault is a criminal offence and

abuse of persons in custody is strictly forbidden.' Although all complaints against police were investigated, the Government believed that an independent commissioner should be appointed to ensure that safeguards and procedures to protect detained suspects were being fully implemented. His duty would be to visit the centres on a random basis. The Royal Ulster Constabulary Chief Constable and the Northern Ireland Police Authority would be consulted on how these arrangements should be carried forward, and a further announcement would be made soon.

Commenting on complaints made against the Army, Sir Patrick pointed out that it was setting itself targets for the speedy resolution of formal complaints. The Government shortly intended to announce the appointment of an independent assessor of military complaints procedures under powers contained in the 1991 Act.

*Remands in Custody*

Sir Patrick accepted the need to reduce the time spent on remand in custody before trial. A special scheme was therefore being introduced from 1 July designed to reduce and monitor the time spent in this way. The targets, which would require a significant improvement in the processing of cases, would be 38 weeks from first remand to committal stage and 14 weeks from committal to arraignment when the defendant entered his or her plea. The Government had considered the possibility of a statutory scheme but was not satisfied that it could operate without a real risk of dangerous people being released.

**Official Opposition View**

Speaking for the official Opposition, Mr Kevin McNamara recognised that some emergency legislation was necessary but could not support the Order. The power of internment, even if it was not activated, was still in the legislation; this was unacceptable to the Opposition since it was a constant reminder of the unacceptable face of the state and an admission of political failure.

Mr McNamara paid tribute to members of the police, the Army and the prison service who did a difficult job professionally and effectively. The Opposition fully supported the police and the Army in their impartial efforts to uphold the rule of law. Any departures from these high standards damaged public confidence in the administration of justice and made life more difficult and dangerous for the security forces.

Mr McNamara said that the most satisfactory safeguard for suspects in holding centres would be the video-recording of interviews. Such recordings could protect the identity of the interrogating officer and prevent any accusations about blows being struck.

In addition to the commissioner that the Government was appointing, there was also a case for lay visitors, as had been recommended by the Northern Ireland Police Authority.

Mr McNamara stressed that the police should be responsible for law and order and that there should be adequate police supervision of the military. 'No-one should seek to underestimate the difficulties and frustrations experienced by young soldiers who live with the constant risk of death or injury and fear of ambush, but it is precisely discipline and respect for the law that distinguish the legitimate armed forces from their terrorist opponents. That is something on which we all agree and must insist.'

**Liberal Democrat View**

The Liberal Democrat spokesman, Mr Menzies Campbell, welcomed the announcement about the independent commissioner and the attempt to reduce the time suspects spent on remand in custody. His party would vote for the Order not with any great enthusiasm but because the cancer of terrorism still stood at the heart of life in Northern Ireland and the powers provided a means of containing that cancer. Although Liberal Democrats shared the Opposition's repugnance for the existence of powers for internment, the other powers in the Act could not be denied to the security forces. Mr Campbell, however, opposed the use of internment since it would alienate communities and create an atmosphere of desperation.

Mr Campbell said that the Government should conduct an experiment on the videotaping of interviews with suspects, since such recordings would help combat more easily false claims made against the police.

**Views of Northern Ireland Parties**

Speaking for the Official Unionists, Mr Ken Maginnis said that there had to be *de facto* police primacy in Northern Ireland and that no aspect of security should be hidden from the police. He welcomed the appointment of the new deputy chief constable and hoped that he would get to grips with all the available intelligence and information, whether it was made available to the Army, MI5 or the police themselves. He added: 'Someone will be accountable, and in that way we shall deprive the terrorist of one of his greatest weapons: the insinuation that the security services are involved in illegal activities.'

Mr Maginnis welcomed the news that a commissioner would be given access to the holding centres since this would help to protect the police. He stressed that, although the commissioner would have the right to visit centres unannounced, he should not have direct access to the room in which suspects were being questioned, so that neither party would be aware of his presence. He opposed the use of video-recordings of interviews, since a solicitor or barrister would be able to convince a court that it was in the interests of justice to see the recordings and lives would be put in danger.

The Democratic Unionist leader, the Revd Ian Paisley, said that emergency legislation served only to maintain the status quo and that the security forces had to take the offensive against the terrorists. Emergency legislation could only be successful if it was backed up by effective action. 'The motivation ought to be to deal effectively with the violence, to nip it in the bud, and to bring about stability and peace – and not allow the emergency situation to be institutionalised by time, which is what is happening.'

Speaking for the Social and Democratic Labour Party, Mr Seamus Mallon asked whether the emergency legislation was capable of succeeding and of solving the problem. If it was not, the Government should think again.

Mr Mallon stressed that the Provisional Irish Republican Army could not win with its campaign of violence and there could be no military victory for it. Neither could there be a military victory for the Government. The people of Northern Ireland deserved better than to be locked into military combat between two sides, neither of which could win.

Concluding, Mr Mallon said that, if an individual broke the law, society had the right to subject that person to the rigours of the law through a proper court system. 'But the longer that legislation such as we are considering tonight remains, the more that we postpone the day when we can set about solving the problems ...'

**Government Reply**

Winding up for the Government, the Minister of State, Mr Michael Mates, said that the power of internment could not be brought into force without the Government coming to the House to seek consent for an affirmative order.

The Government's aim was a full return to normality and the eradication of terrorism in Northern Ireland. 'Violence in pursuit of political ends is neither acceptable nor inevitable and for so long as it continues, terrorism will be met with a firm, resolute and proactive response.' Within that basic approach, it was incumbent on the Government to introduce special powers where the ordinary law was insufficient in order to enable the police and the Army to protect society against terrorism and apprehend the perpetrators.

Commenting on video-taping of interviews, Mr Mates said that, if a recording of the tape became available showing that a detained person had made statements, there were fears that that person and his or her relatives could be in danger from terrorists. The Government would, however, continue to monitor the situation.

Legislation was effective only when it was properly enforced. The level of security force activity was very high; in addition to police patrols, the Army undertook 250 to 300 patrols every day. This very high figure needed to be put in perspective when the inevitable but rare occurrence of improper action by the security forces took so much of the headlines. There would be no need for police or Army patrols if the terrorists stopped their deadly business.

Concluding, Mr Mates said that the appointment of the deputy chief constable would not mean an immediate panacea. 'We

are hoping, as the terrorists' tactics evolve and change, to evolve and change the structures whereby the control and co-ordination of all the security forces takes place. Having a senior policeman clearly in charge of all operations of the police and the Army is ... a step in the right direction.'

## Shorter Notes

### THE OFFICE OF PUBLIC SERVICE AND SCIENCE

The creation of a new government department, the Office of Public Service and Science, was announced on 29 May.

The new department is part of the Cabinet Office and reports to the Chancellor of the Duchy of Lancaster and Minister of Public Service and Science, Mr William Waldegrave. It brings together the responsibilities of the former Office of the Minister for the Civil Service, including the programme for creating executive agencies, together with the units responsible for the Citizen's Charter, Efficiency and Market Testing. The department is also responsible for policy on open government, with a view to identifying areas of excessive secrecy and carrying forward moves towards greater openness. It also includes the Office of Science and Technology, which comprises the former Chief Scientific Adviser's Office and the science responsibilities transferred from the Department for Education (see p 126).

Commenting on the change, Mr Waldegrave said that it underlined 'the importance which the Government attaches to public service reform and to science and technology'.

Source: Cabinet Office news release, 29.5.92.

### CIVIL SERVICE COMMISSIONERS' REPORT 1991-92

The Civil Service Commissioners' Annual Report was published on 21 May.[1] The Commissioners explain how they have discharged their new responsibilities, following the changes in recruitment to the Civil Service made on 1 April 1991. Only appointments to senior posts and to the fast-stream entries still require their agreement. Having laid down the specification for a successful appointee, the Commissioners no longer insist on carrying out all stages of the selection process themselves but are content to use agents. In the past year they employed as their main contractor Recruitment & Assessment Services – an executive agency now within the Office of Public Service and Science. Private sector executive search consultants were also used.

The Commissioners approved 758 senior appointments and 332 appointments to the fast-stream entry to the Civil Service in 1991-92. The proportion of women successful in fast-stream competitions rose to 36 per cent in 1991 from 32 per cent in 1990.

The Commission continues to monitor recruitment carried out by departments and agencies, which now accounts for over 95 per cent of all Civil Service recruitment. Its objective is to ensure that departments observe the principle of selection on the basis of fair and open competition. The Commission will look at a sample of comparable recruitment units – there are some 3,000 accountable units in all – and recruitment schemes in every department and agency over a three-year cycle, and will start to report their main findings in the next annual report.

### INTERNATIONAL CO-OPERATION AGAINST CRIME

Speaking on 19 May, the Home Secretary, Mr Kenneth Clarke, called for greater co-operation among Europe's police chiefs to defeat the growing menace of organised crime.

As part of his agenda on crime when Britain assumes the presidency of the European Community (EC) in July, Mr Clarke set out four initiatives as follows:

– improving information gathering on terrorist incidents;

– greater harmonisation of radio communications;

[1] *Civil Service Commissioners' Annual Report 1991-92.* Available free from the Office of the Civil Service Commissioners, Alençon Link, Basingstoke, Hants RG21 1JB.

– increased fingerprint recognition; and

– developing information on cross-border crime.

'Criminals no more recognise the frontiers of the EC than the frontiers between countries, and our efforts must be directed to the widest possible field of co-operation', he said.

Mr Clarke noted the progress that had been made by the Community member states to set up 'Europol', the European co-ordinating body which provides intelligence on serious crime across borders. The impetus for the creation of such an organisation was the threat to member states of illegal drug trafficking and other forms of organised crime. He added that Europol would not confine itself to EC countries, since its terms of reference included liaison with other countries and with international organisations.

Source: Home Office news release, 19.5.92.

# External Affairs and Defence

## European Security

**The role of the Western European Union (WEU) in the defence of Europe was the main subject of a speech on European security by the Secretary of State for Defence, Mr Malcolm Rifkind, in London on 14 May.**

**On 4 June North Atlantic Treaty Organisation (NATO) foreign ministers reaffirmed their support for the objective of developing the WEU as a means of strengthening the European pillar of the NATO Alliance.**

### Mr Rifkind's Speech

Referring to European defence, Mr Rifkind said that the success of Western defence policy since the foundation of NATO was rooted in the continuity of policy. At the same time NATO had adapted its policy to 'new realities and defence requirements' by overhauling its military strategy and force structure, including the creation of the Allied Command Europe Rapid Reaction Corps, which would provide NATO 'with a flexible means of responding quickly and effectively to crises ranging from instability on its borders to all-out aggression'. There was also the North Atlantic Co-operation Council (see pp 98-9), created as a new consultative institution to which all the republics of the Commonwealth of Independent States, the Baltic states and the five Eastern European countries of the former Warsaw Pact were now members.[1]

*Western European Defence*

Western European defence had two important premises, Mr Rifkind continued. First, NATO would remain 'the primary instrument of Western collective defence ... [and] the essential forum for consultation and policy-making on their security and defence commitments under the Washington Treaty'.[1] It would also increasingly play a crucial role in broader European security, through security consultations, arms control and, where necessary, peacekeeping efforts on the Continent. Secondly, the United States was 'going to stay in Europe', making a vital contribution to European security through NATO and the Conference on Security and Co-operation in Europe (CSCE).

*Role of the Western European Union*

Mr Rifkind explained that the building up of a specifically European defence capability would be achieved gradually through the WEU. This body, he said, would remain independent of the European Union and NATO, but with close links to both institutions.

Continuing, Mr Rifkind said that the appropriate roles and missions for the WEU included:

– responding to threats to European interests in Europe when NATO chose not to be engaged;

– international crisis management outside Europe where there were specific European interests to be safeguarded;

– peacekeeping operations in Europe or elsewhere under the United Nations or other bodies with the authority to act; and

– humanitarian and rescue missions inside or outside Europe.

Britain considered that WEU partners had to be involved on an equal footing and that

[1] The North Atlantic Co-operation Council held its third meeting in Oslo, Norway, on 5 June.

[1] This treaty established NATO in April 1949.

the authority for deployment and command of European forces in cases where NATO was not involved had to come collectively from the WEU's Council of Ministers. Also, WEU states had to make forces available to the WEU by drawing on those with NATO or national roles, since it was 'undesirable and unnecessary' to set up standing WEU forces or a standing command structure to rival that of NATO.

Missions for European forces where NATO was not involved would be planned and executed under the authority of the WEU as a whole, while a central WEU planning body, located in Belgium with links to the WEU Secretariat, would provide contingency planning for WEU military operations. This planning body, with the guidance of the WEU chiefs of staff, would make recommendations to the WEU Council on organisation and command of forces. Efforts had to be made to emphasise multinational military formations as was happening with NATO's reaction forces. Partners should be encouraged to contribute according to their capability.

Mr Rifkind added that, in a conflict or crisis within Europe, decisions on an appropriate response would be taken by NATO's North Atlantic Council. NATO would deal with threats to Alliance security directly, although a purely European response could be made in the case of humanitarian aid in a natural disaster. However, regarding crises elsewhere where Europe's interests were engaged, it would be open to the WEU Council to determine a European response in its own right. Mr Rifkind said: 'There should be prior consultation within NATO both because this would make prudent common sense and to establish that any forces to be used were not simultaneously required for NATO assignments.'[1]

### North Atlantic Council

In a communiqué issued after a meeting of the North Atlantic Council, NATO foreign ministers reaffirmed their support for the WEU as a means of strengthening the European pillar of the NATO Alliance. They said that the development by the WEU of its operational capabilities in ways that 'complement and are fully compatible' with the Alliance's common defence would enhance the allies' ability to work together in their common defence.

Ministers stressed the importance of allies' existing obligations and commitments to NATO forces, emphasising that 'the primary responsibility of forces answerable to the WEU will remain NATO's collective defence under the Washington Treaty'. As the WEU developed its structures, NATO foreign ministers would continue to work with the WEU to establish close working links – for example, between the two organisations' councils and secretariats and between their defence staffs.

[1] At a meeting in Bonn on 19 June WEU countries agreed to 'Support ... the effective implementation of conflict prevention and crisis management measures, including peacekeeping activities of the CSCE or the United Nations Security Council'.

## European Union

**A Bill which would enable Britain to ratify the Treaty on European Union agreed at Maastricht in December 1991 received its second reading in the House of Commons on 20 and 21 May. On 2 June the electorate in Denmark voted narrowly against ratification of the Treaty.**

### DANISH REFERENDUM IMPLICATIONS

The Maastricht Treaty was agreed by the European Council in December 1991 (see pp 3-12) and formally signed by the Community member states in February (see p 31). For the Treaty to come into operation, it must be ratified by all 12 member states. However, on 2 June voters in Denmark rejected the Treaty by a small majority (50.7 per cent against, 49.3 per cent for) in a national referendum.

In a referendum on 18 June voters in the Irish Republic supported the Treaty by a margin of about two to one. Later in the year a referendum on the Treaty will also be held in France.

### British Reaction

In Britain the ratification process began on 7 May, when the Government published the

European Communities (Amendment) Bill, which received its second reading on 20 and 21 May (see below). Following the Danish referendum result, the Government postponed the parliamentary committee stage of the Bill, which was scheduled to start on 3 June.

*Prime Minister's Statement*

In a statement to the House of Commons on 3 June (*Hansard*, Vol 208, No 20, cols 827-40), the Prime Minister, Mr John Major, acknowledged the outcome of the Danish referendum and its implications for the implementation of the Treaty. He said that the Danish Government was considering how to respond to the result and that one option was the re-submission of the matter to a further referendum.

Defending the Treaty, Mr Major welcomed its emphasis on intergovernmental co-operation outside the Treaty of Rome, on the principle of subsidiarity rather than centralism (see p 8) and on controls over the European Commission. 'The Government continue to believe that the deal that we secured at Maastricht is in the best interests of this country. In the expectation that Denmark will in due course be able to join them, our partners propose to complete the ratification procedures. We share that judgment, and intend to continue with the passage of the Bill.'

He continued: 'It is clearly necessary, however, to consider further the legal and practical implications of the Danish referendum result before we can sensibly invite the House to proceed with the Bill's committee stage.'

Mr Major reiterated that the Treaty provided mechanisms for more broadly based development of the Community, and introduced procedures to reverse the trend towards centralism. These provisions created a sound basis for co-operation, opening the way for the future enlargement of the Community.

Concluding, he said: 'The ratification and implementation of the Treaty is in our national interest, and we shall continue during our presidency to work for the Community that we secured in that negotiation.'

Answering questions, Mr Major said that he was not in favour of referendums in a parliamentary democracy, and that he did not propose to put one before the British people.

*Foreign and Commonwealth Secretary's Statement*

Following a special meeting of Community foreign ministers on 4 June to discuss the Danish referendum result, the Foreign and Commonwealth Secretary, Mr Douglas Hurd, made a parliamentary statement on 8 June (*Hansard*, Vol 209, No 23, cols 32-9).

He told the House of Commons that the Danish Government had explained that it needed time to consider its response and that it wished to keep all options open, with the aim of agreeing a way forward acceptable to all 12 member states. The Danish Government was not seeking a renegotiation of the Maastricht Treaty because it did not believe that this would be agreed by the other member states.

Mr Hurd said that the British Government respected the outcome of the referendum, adding that the concerns of the Danish people about centralisation were reflected in Britain. The Government would not be prepared to join any attempt to coerce the Danes since there were lessons for all member states to consider. Denmark was entitled to time as a member of the Community and in accordance with the Treaty. 'Equally, other countries are entitled to continue with their ratification procedures. It is clear that this Treaty cannot come into effect until all 12 members have ratified it.'

## PARLIAMENTARY DEBATE

The European Communities (Amendment) Bill received its second reading by 336 votes to 92 on 20 and 21 May (*Hansard*, Vol 208, No 16, cols 261-366, and No 17, cols 367-470 and 509-600). The official Opposition abstained.

### Provisions of the Bill

The Bill amends the European Communities Act 1972, bringing those parts of the Maastricht Treaty which concern the European Community into the body of Community law which applies in Britain as part of British domestic law.

It provides for:

– the incorporation of the changes to the Community treaties into British law;

– the approval of the Treaty on European Union as a whole, as it gives certain new powers to the European Parliament;[1] and

– a separate Act of Parliament before Britain can proceed to stage three of economic and monetary union (EMU) and a single European currency (see p 3).

The Maastricht Treaty's provisions relating to intergovernmental co-operation on foreign policy and justice and home affairs do not form part of Community law and are therefore excluded from the Bill.

**Prime Minister's Statement**

Having outlined the provisions of the Bill at the start of the two-day debate, Mr Major said: 'What we kept out of the Treaty at Maastricht is as important, in the event, as what went into it.' He explained that Britain had ensured that there was:

– no social chapter;

– no diminution in the power of the North Atlantic Treaty Organisation (NATO);

– no weakening of the power of national decision-making in foreign policy; and

– no commitment to a federal and centralising Europe.

Acknowledging anxiety within the House of Commons that decision-making in the Community was becoming too centralised, Mr Major added: 'The Maastricht Treaty marks the point at which, for the first time, we have begun to reverse that centralising trend. We have moved decision taking back towards the member states in areas where Community law need not and should not apply.'

*Subsidiarity*

He reaffirmed the importance attached by the British Government to the principle of subsidiarity, which set the limits to Community competence and which was embodied in the Treaty. The European Commission was obliged to give full effect to the requirement that the Community should take action in areas outside its exclusive competence only if the proposed action could not be achieved by the member states. Should the Commission not meet that requirement, member states would have the power to seek the adjudication of the European Court of Justice.

*Intergovernmental Co-operation*

Continuing, Mr Major said: 'For the first time in a single treaty, agreements between governments are given equal standing with action under Community law.' In foreign and security policy and in justice and interior matters, Community member states would work together when it was in their common interest to do so.

The Prime Minister explained that, while Britain would co-operate with its Community partners in these areas when appropriate, it would not be forced into policies of which it did not approve. 'We keep our ability to act on our own where we need to do so. We shall co-operate within a framework of international law but outside the framework of Community law ... I believe that that marks a vital and important change in direction for the Community. It strengthens the unity of the member states but reinforces the case for tackling our common problems by the most effective means available to us.'

*Institutions and Accountability*

Mr Major confirmed that although in practice greater control over the Community executive was ceded as a result of the Treaty, predominantly to the European Parliament, no powers had been taken from the Council of Ministers and British ministers remained responsible to the House of Commons.

Within the framework of the Community treaties, amendments to the Treaty of Rome had been secured which reflected important British objectives. The rule of law in the Community, he said, was strengthened by stricter rules on policy implementation. Those member states which did not implement agreed directives would incur penalties.

Regarding financial accountability, the Community could no longer commit itself to expenditure for which resources were not available. There would be no increase in those resources unless Britain and its Community partners agreed that there should be. He continued: 'There can be no change in

[1] The European Parliamentary Elections Act 1978 requires that any treaty which provides for an increase in the powers of the European Parliament must be approved by an Act of Parliament.

our abatement[1] without our agreement, and I have no intention of agreeing to any adverse change in our abatement in the discussions that lie ahead.'

Mr Major added that the Court of Auditors, which was to become a Community institution, would present the Council and the European Parliament with a statement of assurance on the reliability of the accounts and the legality of the underlying transactions.

The European Parliament would in future have authority to call the Commission to account for its expenditure and for the operation of financial control systems. Individuals would be able to petition the Parliament about abuses by any of the Community's institutions. The Parliament would also appoint an Ombudsman to investigate maladministration by Community institutions.

*Economic and Monetary Union*

The Prime Minister said: 'The Treaty also sets exactly the framework that we want for economic and monetary union [EMU].' Britain had long advocated the commitment to open and competitive markets, and recognised that member states wishing to move to stage three of EMU would have to satisfy tough economic criteria. Mr Major welcomed the commitment to price stability and, in particular, the absolute right for the British Parliament to decide at a time of its own choosing whether or not to move to stage three. 'Those are arguments that we have won in Europe and that set policy in the direction in which we believe it should go.'

*Social Affairs*

Defending the Government's insistence on the exclusion of the social chapter from the Treaty, the Prime Minister said that it would have removed from employers and employees in Britain the right to determine for themselves such matters as working conditions. 'The social chapter would have given the [trade] unions at European level new powers to negotiate employment conditions on behalf of employees, whether or not they were trade union members, and to have agreement imposed through Community legislation on British employees. That is corporatism at its worst. Worse than that, it is a negation of subsidiarity.'

*Frontier Controls*

Mr Major acknowledged that the freedom to move goods and services lay at the heart of the single European market, which Britain had pressed on the Community. However, he defended the Government's wish to retain frontier controls.

Britain's attitude towards the issue of open frontiers was different to most of its Community partners because of its island status. 'Experience has shown us that control at the frontier gives us the best possible chance of containing smuggling, terrorism and illegal immigration.'

Mr Major continued: 'We accept the right of Community citizens to move freely between member states, but we must, as we agreed under the Single European Act [see pp 143-4, 1986], keep the controls that we consider necessary to control immigration from third world countries and to combat terrorism, crime and trafficking in drugs. That means that we must retain frontier controls, and we intend to do so.'

*Enlargement*

The Prime Minister expressed his hope that Sweden, Austria and Finland would be members of the Community by 1995 and that Poland, Czechoslovakia and Hungary would follow suit by the end of the decade. He added that the Community would have to develop its relationship with the Baltic states and with many of the countries of the former Soviet Union (see pp 12-13). 'The politics, economics and social fabric of the Community will change radically as the Community enlarges. We shall have to show imagination, flexibility and generosity. It would be fatal to take the attitude that we have our prosperous club and that nobody else can join unless they are prepared to pay a heavy price.'

Mr Major continued: 'We – the Community, this country – will all pay a heavy price if, by our attitude, we damaged the chance of re-establishing for the first time in 50 years a

[1] In 1984 the European Council agreed an arrangement whereby Britain secured an annual abatement of its contribution to the Community, correcting the budget inequity which had become apparent by the end of the 1970s (see p 248, 1984).

firm democracy throughout the whole of Europe.'

*Conclusion*

Concluding, Mr Major said that, as the Community increased its membership, more work would have to be done on the basis of intergovernmental co-operation and more might be left to the national level. He considered that the changes negotiated at Maastricht created the necessary flexibility for the Community in the future. Institutions had to adapt to the needs of member states and not the other way round.

'What should not and need not be negotiable are the core beliefs and foundations of the Community: its commitment to democracy, its framework of law, the creation of a genuine single market and the fact that the Community exists to promote the ever closer union of the peoples of Europe.'

**Opposition Views**

*Official Opposition*

The Leader of the official Opposition, Mr Neil Kinnock, said that he broadly supported the Maastricht Treaty as a necessary framework for the economic, social and political development of the Community.

Although he welcomed many features of the Treaty – including the entrenchment of the democratic principle of subsidiarity, extended majority voting, the establishment of the cohesion fund (see p 11), provision for regional policy as an essential component of the single market and new powers for the European Parliament – he could not support the Bill.

Mr Kinnock explained: 'We cannot endorse the Government's action in opting out from the agreements made by the 11 other European Community member countries on social policy and on the approach to economic and monetary union.' He rejected the premise that the social chapter proposals of the Maastricht Treaty would undermine the economy and said that inferior working conditions did not mean superior economic performance. He reaffirmed his support, subject to the conditions of economic convergence for movement towards economic and monetary union.

Mr Kinnock pointed out that the Community economy was increasingly interdependent and integrated, and that 60 per cent of Britain's exports went to other Community countries. Given that exports accounted for one-third of its gross domestic product, a large proportion of Britain's production capacity and of British jobs depended on sales in the Community. He therefore considered that it was essential for the Government to play a full role in the process of achieving economic and monetary union.

Concluding, he said that co-ordinated and sustained expansion was the best way to achieve balance in the Community between the impoverished regions and the congested urban areas, and between the north and south of the Community. It was also the best way of obtaining the convergence in investment, production, competitiveness and employment necessary for the long-term success of the Community and of any form of monetary union. Such co-ordinated expansion was also the most effective antidote to the resentments and tensions that were rooted in economic disadvantage and insecurity. The Maastricht Treaty provided a framework for such action.

*Liberal Democrats*

The Leader of the Liberal Democrats, Mr Paddy Ashdown, said that the concept of the nation state would decline in the course of time as the importance of Community and regional identity and supranational institutions increased. He expressed his support for the Bill, believing that the Maastricht Treaty was a 'step forward that must be taken'. It would be a disaster for Britain and Europe if it were not ratified.

He considered that one of the key tasks for the Government during Britain's presidency would be to ensure that Europe had a clear and forward direction. If the Community did not develop, it would start to unravel, which would be dangerous in the light of political, economic, environmental and security challenges facing Europe.

Mr Ashdown favoured both the widening and the deepening of the Community. He believed that those countries aspiring to membership wished to join a Community moving forward to closer and deeper

integration. The present institutions would be incapable of providing the necessary direction for such an enlarged Community.

He could not envisage the circumstances in which it would be in Britain's interest to stay out of a monetary union which it had the ability to join. Also, despite his concern over elements of the social chapter, he believed that the Government should not opt out of the capacity to shape the Community's social institutions. While supporting the Treaty, Mr Ashdown said that it failed to provide democratic accountability for the European institutions that it created.

**Government Reply**

*Foreign and Commonwealth Secretary's Statement*

Speaking on the second day of the debate, Mr Hurd sought to allay the concern among some Members of Parliament that the Maastricht agreement would lead to a centralised Europe, with national parliaments being stripped of substance.

Reiterating the Government's support for the enlargement of the Community, he considered that the first wave of new Community entrants, perhaps in 1995, could be accommodated without the need for more centralised institutions. He emphasised that a fresh review of Community institutions would not, under the terms of the Maastricht Treaty, take place before 1996.

Mr Hurd cited the Community's co-ordinated approach to the break-up of the former Soviet Union and the events in Yugoslavia (see pp 173-5) as examples of effective intergovernmental co-operation outside the framework of Community law, which would be enhanced under the Treaty. 'The principle must be one of agreeing and acting together if we can – and if not, member states are free to act separately.'

Subsidiarity was a fundamental safeguard against centralisation and would apply, he maintained, to all areas of Community policy. It would form a backcloth against which the European Court of Justice would have to make its judgments, particularly in those areas where there was a challenge to the Community taking action at all. 'Over-regulation is now under attack both in the areas where it is accepted that the Community has a role and in those many areas where the Community and member states both have a role to play.'

Mr Hurd said that, although the European Parliament would acquire some new powers under the terms of the Maastricht Treaty, it would not have the power to initiate legislation or to impose laws on member states.

Although the Treaty reaffirmed that NATO would remain the anchor of European security, Mr Hurd said that Europeans needed to shoulder a greater share of the burden of providing for their own security. The Western European Union (WEU) would be the vehicle for developing a genuine European military capability to act in areas where NATO was not engaged or chose not to be. He pointed out that Britain's proposals for giving the WEU that capability (see p 165) had been widely endorsed by its allies and partners.

Concluding, Mr Hurd said: 'The Maastricht Treaty emerged from long, exhaustive negotiations. In a large number of areas – subsidiarity, the rule of law, financial accountability and defence – it reflects our initiatives. It was seen as a success for this country among the press and politicians on the continent. Against that background, a failure to ratify the Treaty would be incomprehensible to our partners.'

*Chancellor of the Exchequer's Speech*

Winding up the debate, the Chancellor of the Exchequer, Mr Norman Lamont, said that, unless the economies of Europe were genuinely prepared for a single currency, it could exacerbate regional imbalances and unemployment, necessitating large transfers of resources between countries. He added that the irrevocable locking of exchange rates, provided for in the Maastricht Treaty, involved transferring important powers over economic policy from national governments to an independent monetary authority.

Mr Lamont defended the Government's decision to defer a final commitment by Britain to move to stage three of EMU. 'We do not know what economic conditions will prevail when the time to make a decision comes. We do not even know how many members the Community will then have ... Nor do we know how many other Community countries will be moving to a single currency at the time when

a decision has to be made.' In addition, the intergovernmental conference to be held in 1996 might have some implications for the institutional balance and the development of the Community. He said that such a crucial decision would be taken at the right time by the elected Parliament of the day in the full possession of the relevant facts.

Reiterating the Government's aims in the negotiations on EMU at Maastricht, Mr Lamont maintained that, even within an eventual currency union, member states should have the maximum possible freedom to pursue their own economic policies, particularly fiscal policy. He conceded that some general overall discipline on budget deficits nationally was clearly required, but added: 'Our objective was to see that, even in stage three, any Community-level discipline operated with the lightest possible touch.'

He continued: 'We do not believe that a single monetary policy requires the central determination of individual countries' levels of taxes and spending. We were seeking a balance between what was responsible and necessary, and the freedom of countries to determine their own levels of taxes and spending. I believe that the Treaty achieves that.'

Reaffirming Britain's rejection of the harmonisation of direct taxes in the Community, Mr Lamont said that the Government would accept only tax harmonisation that it considered necessary for the proper functioning of the single market.

Concluding, Mr Lamont emphasised that the Treaty did not involve any commitment to increased expenditure on Britain's part.

## The Prime Minister's Visit to Eastern Europe

**During visits to Poland, Czechoslovakia and Hungary in May the Prime Minister, Mr John Major, signed a visa agreement in Poland and joint declarations on political, economic and cultural co-operation with Czechoslovakia and Hungary.**

### Poland

At a press conference in Warsaw on 26 May during his two-day visit to Poland, Mr Major said that during its presidency of the European Community Britain would seek early ratification of the association agreements, signed by Poland, Czechoslovakia and Hungary and the European Community in December 1991 (see p 448, 1991). Britain then hoped 'to send a clear message to Poland encouraging full membership ... at a later stage'. Mr Major added: 'Nothing would give me ... greater pleasure than to see Poland ready for full membership of the Community at the end of this decade.'

Continuing, he said that, by the end of the British presidency, the Community would have contributed about $1,300 million to assist Poland. In addition, Britain would have given a further $100 million to the Polish currency stabilisation fund and $1,250 million in debt relief through the Paris Club agreement with Poland.[1]

On Britain's know-how fund to Poland (see pp 185-6, 1991), Mr Major said that half of the £50 million made available had been spent; the accumulated interest on Britain's contribution to the stabilisation fund, a further $14 million, would help generate small business development there.

*Visa Agreement*

Mr Major announced that from 1 July Britain would abolish all visa restrictions for Polish visitors and students arriving in Britain.

A press notice issued by the Prime Minister's office on 26 May explained that, as in other countries, certain individuals, such as those coming to settle or for employment, would still need entry clearance or a work permit. The abolition of visas was a response to the changes that had taken place in Poland. The change would be reviewed after two years, during which time Britain's immigration service would monitor the number of refusals and the level of congestion at ports.

Visas are no longer required for travel between Britain and Czechoslovakia and

[1] The Paris Club, which has no fixed membership, provides meetings between creditors and debtors. Since 1982 it has rescheduled some $110,000 million of debt from the poorest and middle-income countries. Britain's share of this is about $6,800 million.

Hungary following agreements signed in September 1990.

**Czechoslovakia**

In a joint declaration signed by Mr Major and the President of the Czech and Slovak Federal Republic, Mr Vaclav Havel, on 27 May, Britain and Czechoslovakia agreed that they would promote proposals designed to enhance the Conference on Security and Co-operation in Europe and to strengthen its role in the management and resolution of crises. Britain would also co-operate with Czechoslovakia in helping to create the political and economic conditions necessary for access to the European Community. Britain would continue to help strengthen Czechoslovakia's democracy and a market economy, bilaterally through the know-how fund, and multilaterally through the International Monetary Fund, the World Bank, the Organisation for Economic Co-operation and Development, the European Bank for Reconstruction and Development and through its contribution to Community assistance programmes.

Regarding co-operation in the political, economic, and trade fields, Britain reaffirmed its determination to support the process of reform in Czechoslovakia. Both countries intended to encourage mutually advantageous economic and industrial co-operation, closer trade contacts between enterprises, the setting up of joint ventures, and co-operation between banks and in third markets. Britain would encourage investment by British companies and banks in Czechoslovakia.

As well as looking forward to the establishment of cultural and information centres in the two countries, they agreed to co-operate to protect the environment and promote sustainable development of both human and natural resources.

Speaking at a joint conference with Mr Havel in Prague on 27 May, Mr Major said that both countries had signed a treaty nullifying the 1938 Munich agreement, which had rightly been repudiated a number of times over the years.[1]

[1]The Munich agreement was signed by Britain, France, Germany and Italy in September 1938, to settle the crisis over Czechoslovakia, by which the Sudetenland was ceded to Germany.

**Hungary**

Mr Major and the Hungarian Prime Minister, Mr Jozsef Antall, signed their joint declaration on 28 May. They agreed to develop economic, political and cultural co-operation, including support for Hungary's Community membership, British investment in Hungary and in plans for privatisation there. The two sides also agreed to co-operate in the fields of transport, telecommunications, healthy and environmental protection, as well as in the fight against organised crime, particularly terrorism and drug trafficking.

**Association Agreements**

Discussing Hungary's relations with the European Community during a joint press conference in Budapest on 28 May, Mr Major said that the purpose of the association agreements with Hungary, Poland and Czechoslovakia was to make sure that the three countries had an association with the Community at the earliest date. This would introduce them to European disciplines and the European market and provide a framework in which there would be increasing economic and political contact between the countries. The danger of moving into the Community at too early a date, Mr Major said, was that 'within the boundaries of the Community there is very fierce competition and no protection under the terms of the Single Market. So unless their economies are ready … it would be a very painful experience indeed for any country … to go into the Community too speedily.' The association agreements were designed to deal with that problem.

## Yugoslavia

**On 30 May the United Nations Security Council imposed immediate, mandatory sanctions on Yugoslavia (Serbia and Montenegro), following further violence in Bosnia-Hercegovina.**

**United Nations Security Council Resolution**

On 30 May a UN Security Council resolution (No 757), proposed by Britain, Belgium,

France, Morocco, and the United States, was passed by 13 votes to none with two abstentions (the People's Republic of China and Zimbabwe). The Council condemned the failure of Yugoslavia to take effective measures to fulfil the requirements of an earlier UN resolution, No 752 of 15 May. This had called for an end to the fighting in Bosnia-Hercegovina and the cessation of all outside interference, including that by units of the Yugoslav National Army (JNA) as well as elements of the Croatian army. The new UN resolution also demanded that any elements of the Croatian army still present in Bosnia-Hercegovina should withdraw.

The Security Council called on all UN states to impose a number of sanctions on Yugoslavia to take immediate effect. These were:

– a total prohibition on the export of all goods to Yugoslavia (except, under certain conditions, food and medical products) and on the import of goods from there;

– a freeze of Yugoslav financial or economic assets (except payments for medical or humanitarian purposes and food);[1] and

– an air embargo, including the prohibition on the landing and take-off of aircraft at Yugoslav airports, a ban on the servicing of Yugoslav aircraft, and a prohibition on new insurance for such aircraft.

UN member states were also requested to:

– reduce staff at Yugoslav diplomatic missions and consular posts;

– prevent Yugoslavia from participating in sporting events; and

– suspend scientific and technical co-operation and cultural exchanges and visits.

A UN ban on arms sales adopted in September 1991 remains in force (see pp 362-3, 1991). A Security Council committee is monitoring the sanctions.

**British Views**

In a statement to the House of Commons on 2 June (*Hansard*, Vol 208, No 19, cols 714-22), the Foreign and Commonwealth Secretary, Mr Douglas Hurd, said that the UN sanctions resolutions contained 'one of the most comprehensive series of measures ever adopted by the United Nations'. The vote reflected 'almost total unanimity among the international community'. The world was shocked by the persistent shelling and killings, and by the carnage in Sarajevo.[1]

The resolution also reflected condemnation of Serbia's 'brutal and expansionist policies' under its President, Mr Slobodan Milosevic, who had refused to rein in Serbs in Bosnia and had actively supported them by supplying men and equipment. Under the pretext of withdrawal, Mr Milosevic had transferred large parts of the JNA to local command in Bosnia. Mr Hurd said: 'Those warlords are using terror as a political weapon to create ethnically pure Serbian areas which would be attached to Serbia itself.' Before fighting began in Bosnia at the end of April, there was no threat to the welfare of the large Serbian community there from either Croats or Muslims. Croatia was also profiting from the situation by infiltrating men and equipment into Croatian-inhabited areas of Hercegovina.

Continuing, Mr Hurd said that, while not wishing to penalise the Serbian people or to destroy their economy, Britain hoped that the mandatory provisions would convince the Belgrade leadership to abandon its present policies.

The requirements were a complete cessation of hostilities and the establishment of conditions in which the International Committee of the Red Cross and the United Nations High Commissioner for Refugees (UNHCR) could pursue their humanitarian tasks.[2] In addition, Belgrade had to take steps to immobilise and disarm the irregular units; this would allow displaced persons to return home, and in turn lead to a political solution.

Speaking for the official Opposition, Mr Gerald Kaufman gave full support to the UN resolution and urged its rigorous enforcement. He opposed any use of force by EC member states.

[1] In Britain all Serbian and Montenegrin assets (valued at an estimated $400 million in gold, securities and deposits) were frozen as from 2 June.

[1] On 27 May at least 16 civilians standing in a bread queue were killed and some 150 injured during a mortar attack on Sarajevo.

[2] UN convoys carrying emergency food and medicine have so far failed to reach Sarajevo, which has been blockaded by irregular Serbian forces since early May.

During a press conference in Warsaw on 26 May, the Prime Minister, Mr John Major, concluded 'not without some consideration' that Serbia bore the greatest responsibility for the present situation. Both the Community and the West were determined to increase pressure on the Serbian President; the reality in Yugoslavia was that 'unless it co-operates with the United Nations and the Community, Serbia will place itself in the position of condemning itself to increasing international isolation'. Britain's aims were a ceasefire, the restoration of control over the militia and the irregular units, the resumption of talks on the future constitution of Bosnia, and the return of people to their homes under the supervision of the UNHCR.

*Prevention of Internal Disputes*

Responding on 27 May to news of mortar attacks in Sarajevo, Mr Hurd told a press conference in Mexico that these tragedies had been happening for weeks and this was why the Community member states 'are pressing ahead as hard as we can with sanctions'. [On 26 May the European Community had agreed to impose sanctions on Yugoslavia.] However, on the question of sending UN forces into Bosnia (see pp 132-3), Mr Hurd stressed that the conditions which allowed a UN force to supervise a ceasefire in Croatia did not exist in Bosnia, and that economic and political pressures were being built up. 'No-one is ruling out eventually the possibility of a UN force but ... this should be peace-keeping rather than peace-making.'

Because of ethnic fighting, people were being killed in Croatia and Bosnia as well as in Armenia, Georgia, and Moldavia. Although the UN and the EC could not prevent this from happening, they could 'pinpoint blame, isolate and impose pressures on those whom we regard as mainly responsible ... [and] provide the means of negotiation. When people are tired of killing [and are] willing to talk, we can provide the wherewithal to do that ... . We can provide financial help when they turn their minds back again to reconstruction instead of destruction.'

*British Sanctions*

A number of Orders in Council came into force at midnight (00.01 British time) on 5 June enforcing UN sanctions, while earlier interim measures were taken out by the Department of Trade and Industry and the Treasury. In addition, the Yugoslav ambassador to London was asked to leave.

Britain's import trade with Yugoslavia in 1991 was under £200 million; exports were nearly £138 million.

*Refugees*

Since November 1991 Britain has contributed £9.7 million to Red Cross/UNHCR humanitarian appeals, including refugees. The number of refugees created by the collapse of former Yugoslavia has been estimated by the UNHCR as 1.2 million, including 350,000 Bosnians sheltering in Croatia, 300,000 displaced Croats, and another 45,000 Croats in Slovenia.

## Commonwealth Development Corporation

**The Commonwealth Development Corporation invested a further £157.3 million in 105 projects in 32 countries during 1991, according to its annual report published in May.[1]**

Created by Britain in 1948, the Commonwealth Development Corporation (CDC) promotes economic development by investing in 50 developing countries.

The Corporation:

– provides long-term finance for projects;

– manages projects and resources; and

– provides ancillary services, such as marketing and personnel for projects.[2]

By the end of 1991 the CDC had investments and commitments worth £1,330.9 million in some 310 projects (in 1990 the CDC's investments were £1,248.2 million).

[1] *Commonwealth Development Corporation: Report and Accounts 1991.* Available free from the Corporation, 1 Bessborough Gardens, London SW1V 2JQ. ISBN 0 903799 24 3.

[2] For more details see *Britain and the Commonwealth.* Aspects of Britain series. HMSO, £5.25. ISBN 0 11 701675 6.

More than 60 per cent are in poorer countries, and nearly three-quarters of CDC investments are in Commonwealth countries. Some £643 million was for renewable natural resources and minerals and £403 million was for basic development, such as power and water, telecommunications, transport and housing. Part of the new investments made in 1991 were financed by the British aid programme (£70 million) and the rest (£87.3 million) from surplus funds within the CDC.

The value of the Corporation's investments and commitments by region is shown in the table.

**CDC Total Commitments at the End of 1991**

| | *£ million* |
|---|---|
| Africa | 530.1 |
| Asia | 435.6 |
| Caribbean and Latin America | 236.6 |
| Pacific Islands | 121.9 |
| Other areas | 6.7 |
| **Total** | **1,330.9** |

Among new commitments made by the CDC in Africa during 1991 were investments in Tanzania in support of a farm which exports pineapples, the rehabilitation of sisal and tea plantations, and a new 10,000-hectare forestry project in the Kilombero Valley. In Malawi the CDC approved a loan which will enable a coach company to import British double-decker buses and chassis. In addition, a number of agricultural estates managed by the Corporation were amalgamated with a group of farms into a single company involved with coffee, tea, and nut production as well as dairying. The CDC also became a founder shareholder in a financial company, formed to provide equity funds to small and medium-scale enterprises in Zimbabwe.

In India the CDC provided funds to Asian Coffee Ltd to expand its instant coffee factory, following earlier loans first disbursed in 1988. Other projects agreed in 1991 included investments to enlarge and improve a factory which refines edible oil, and loans to a private sector company which will manufacture telephone cables. Two CDC loans were made to leasing companies in Pakistan, while in Bangladesh a second loan was approved allowing Padma Textile Mills to expand its textile production.

Two new CDC commitments were made in Jamaica in 1991: a loan to the Caribbean Housing Finance Corporation for the first phase of a government-sponsored lower-income housing scheme and a loan to Jamaica Citrus Growers Ltd for the expansion of its juice concentrate plant. A development company in Trinidad and Tobago is raising local finance for further small business investment as a result of a CDC loan.

# Shorter Note

## EMERGENCY AID TO EAST AFRICA

British emergency aid of some £5 million for Ethiopia, Kenya, Somalia and Sudan was announced by the Minister for Overseas Development, Baroness Chalker, in June.

Food aid (approximately £3 million) to East Africa will comprise:

– 5,000 tonnes to Somalia for delivery by the United Nations World Food Programme;

– 5,000 tonnes for southern and eastern Ethiopia; and

– 2,000 tonnes of wheat to Sudan for the Sudan Council Churches' emergency programme for displaced people around Khartoum.

A further £1 million is being provided through the United Nations High Commissioner for Refugees for shelter, food and water for refugees in Kenya and another £1 million to help avert starvation and malnutrition among the people of northern Kenya.

Since September 1990 Britain has provided over £136 million for famine relief in the Horn of Africa, including £87.5 million channelled through the European Community and 250,000 tonnes of bilateral food aid.

Sources: Overseas Development Administration news releases, 1.6.92 and 5.6.92.

# Economic and Scientific Affairs

## Non-domestic Rating Bill

**Under a Bill which has received an unopposed second reading in the House of Commons, no business in England and Wales would face an increase in its rates (local property taxes) above the level of inflation in 1992-93.**

Introducing the Bill in the House of Commons on 19 May (*Hansard*, Vol 208, No 15, cols 204-26), the Minister of State at the Department of the Environment with responsibility for local government, Mr John Redwood, said that the Bill would limit non-domestic rate increases for businesses in England and Wales to 4.1 per cent in 1992-93. This would be in line with the rise in the retail prices index in the year to September 1991. The object of this measure, which was foreshadowed in the 1992 Budget (see pp 64-70), is to help businesses facing large increases in rate bills as a result of the move to the uniform business rate and revaluation of properties based on 1988 prices (see p 109, 1989, and p 22, 1990).

The gains for individual businesses could be substantial. A small business property outside London with a rateable value just below £10,000 could save around £1,000 over the next two years. For a property in London with a rateable value just under £15,000 the saving could be some £1,500. In each case, the saving would be equivalent to about 12.5 per cent of the full annual rates bill of the property concerned.

Mr Redwood went on to say that there would be a new revaluation of business properties in 1993, to come into effect in 1995. With the breathing space provided by the proposals outlined in the bill, more business ratepayers would not reach the final billing figure based on 1988 values and, after the forthcoming revaluation, some businesses might end up paying less after 1995.

## Industrial Relations

**Working days lost and the number of industrial disputes both declined in 1991, according to statistics produced by the Department of Employment. Nevertheless, there was a large increase in the demand for assistance from the Advisory, Conciliation and Arbitration Service, according to its annual report. Other information published about trade unions has shown a continuation of the decline in membership.**

### INDUSTRIAL DISPUTES

The number of working days lost in Britain through industrial disputes declined by 60 per cent in 1991 to 761,000, the lowest annual total recorded since records started 100 years ago. Details are given in an article in the May issue of *Employment Gazette*.[1]

#### Working Days Lost and Stoppages

*Coverage*

Information about stoppages arising from industrial disputes is collected through the Employment Service's local unemployment benefit office network, supplemented by data from other sources, such as centralised

[1] HMSO, £4.50. ISBN 0 11 729404 7.

Table 1
**Working Days Lost 1981-91**

| Year | Working days lost (thousands) | Working days lost per 1,000 employees | Workers involved (thousands) | Stoppages |
|---|---|---|---|---|
| 1981 | 4,266 | 195 | 1,513 | 1,344 |
| 1982 | 5,313 | 248 | 2,103 | 1,538 |
| 1983 | 3,754 | 178 | 574 | 1,364 |
| 1984 | 27,135 | 1,278 | 1,464 | 1,221 |
| 1985 | 6,402 | 299 | 791 | 903 |
| 1986 | 1,920 | 90 | 720 | 1,074 |
| 1987 | 3,546 | 164 | 887 | 1,016 |
| 1988 | 3,702 | 166 | 790 | 781 |
| 1989 | 4,128 | 182 | 727 | 701 |
| 1990 | 1,903 | 83 | 298 | 630 |
| 1991 | 761 | 34 | 176 | 369 |

*Note:* The figures used in calculating employees in employment to produce the statistics for working days lost per 1,000 employees are based on the latest available mid-year estimates.

returns from certain major industries and public bodies. There are difficulties in ensuring complete recording of stoppages, especially of short disputes. Accordingly, stoppages involving fewer than ten workers and those lasting less than one day are excluded from the statistics except where the total number of working days lost exceeds 100. This affects the estimates of the number of stoppages more than the figure of working days lost. The latter is therefore considered a better measure of the impact of industrial disputes.

*Incidence in 1991*

Table 1 shows industrial disputes statistics for 1981 to 1991. In 1991 the number of working days lost fell below 1 million for the first time since 1940. It amounted to 761,000 compared with an annual average for the previous ten years of 6.2 million days lost.

There was also a substantial fall in the number of workers involved, to 176,000 in 1991. This compared with an annual average of 1 million during the ten-year period 1981 to 1990.

The number of stoppages also declined considerably, to 369, which was the lowest number recorded for any year since 1933. It was significantly below the annual average recorded in the 1980s (1,129) and the 1970s (2,631).

*Stoppages by Industry*

The category of public administration, sanitary services and education experienced the largest number of working days lost in 1991 (362,000), reflecting a strike by local authority workers over redundancy which accounted for the loss of 102,000 working days. However, in terms of the number of days lost per 1,000 employees the coal industry recorded the highest incidence of days lost.

*Causes of Stoppages*

Pay issues remained the largest single cause of both the number of stoppages and working days lost. They accounted for 41 per cent of working days lost in 1991, compared with 58 per cent in 1990. There was a large increase in the proportion of days lost in disputes over redundancy, which accounted for 33 per cent of days lost in 1991, as against 2 per cent in 1990.

*Length of Stoppages*

Over three-fifths of stoppages in progress in 1991 lasted not more than two working days. Long disputes – those over 50 days' duration – accounted for 42 per cent of days lost. However, these were quite rare, with only 30 recorded in 1991 (8 per cent of the number of stoppages).

## ADVISORY, CONCILIATION AND ARBITRATION SERVICE ANNUAL REPORT

The demand for the services of the Advisory, Conciliation and Arbitration Service (ACAS) rose substantially in 1991, according to its annual report, published on 7 May.[1] This article sets out some of the changes in industrial relations recorded by the report, together with the effects on ACAS activity.

### ACAS Activity

The report notes that, although industrial action was rare, demands on ACAS collective conciliation staff rose. ACAS received 1,386 requests for conciliation in collective disputes, 10 per cent more than in 1990. In addition, ACAS arranged 157 arbitration and mediation hearings involving organisations in nearly every sector of the economy. In 86 per cent of completed collective conciliation cases a settlement or progress towards a settlement was achieved. ACAS received a record 60,600 cases for individual conciliation, 16 per cent more than in 1990. It responded to the highest ever level of enquiries for information on statutory employment rights and entitlements, 467,000, 12 per cent more than in 1990. The increase in individual conciliation work led to greater resources being devoted to this activity and less to advisory work. In 1991 ACAS advisers responded to 6,200 requests for advisory visits and 950 requests for in-depth assistance.

### Industrial Relations in 1991

The report notes that many of the changes in 1991 were a continuation of patterns which had existed in the 1980s. For example, older industries, such as coal, steel and shipbuilding, announced further closures and concentration of operations in a smaller number of establishments. However, some new developments occurred:

– a wide range of defence-related industries began to face the prospect of declining markets following the changes in Eastern Europe and the break-up of the former Soviet Union;

– greater efforts were made by managers across a wide range of sectors to reduce the numbers employed following the introduction of new technology;

– successful attempts were made by many companies to improve labour productivity; and

– there were a number of situations where new, slimmer management structures were being established and others rationalised following the high level of mergers in recent years.

However, the report notes that a further major factor affecting demand for ACAS services was the recession, with a decline in output and investment in almost every major industry. Employment fell during the year by nearly 3 per cent, while manufacturing employment declined by almost 7 per cent. As the year ended, many larger employers were committed to programmes of redundancies and other forms of job loss. Programmes for further reductions in employment were noted throughout the financial sector, in the electricity industry, in some motor vehicle manufacturers, in telecommunications and in defence-related industries. Changes in redundancy arrangements included a move away from 'last in, first out' practices. Other criteria tended to be used, relating to efficiency and potential contribution to the business. Many of the disagreements in which ACAS assisted arose because of conflicting views about selection for redundancy and the ways in which redundancy should be handled.

### Collective Bargaining

There were further examples in 1991 of employers moving away from long-standing national or industry-wide arrangements for bargaining and consulting with trade unions. One major example was the electricity industry, where generating and supply companies announced that they would withdraw from national pay negotiations. Several examples of reorganisation and changes in industrial relations arrangements occurred in the public sector, including:

– the Post Office, which reorganised into separate business units;

[1] *Advisory, Conciliation and Arbitration Service Annual Report 1991.* Available free when collected from any ACAS office, or £1 from ACAS Reader, PO Box 797, London SE8 4JX. ISBN 0 906073 48 0.

– British Rail, where discussions chaired by ACAS continued between management and trade unions about the introduction of new machinery of negotiation and consultation to reflect the new structure of separate businesses for different aspects of passenger and freight services from April 1992; and

– the establishment of new funding arrangements in further and higher education which will lead to the merging of the university and polytechnic sectors and to more devolved pay bargaining.

In the Civil Service major organisational changes were under way with the creation of executive agencies (see pp 176-7, 1991). Managers in some agencies have already moved away from Civil Service national bargaining and consultative machinery to create their own arrangements. In October 1991 the Treasury gave notice of its withdrawal from the current national pay bargaining arrangements in March 1992, so that departments could have greater freedom to develop their own pay systems and to allow continuing national pay negotiations to provide greater scope for performance-related pay. Some local authorities also moved away in 1991 from national bargaining arrangements.

**Trade Unions**

Industrial restructuring and reductions in employment led to a further fall in trade union membership in 1991 (see below). One factor affecting falling membership was the continuing difficulty faced by many unions in persuading managers in newer areas to agree to recognition. Derecognition of unions remained rare, although there were examples in the water, publishing, broadcasting, communications, chemicals and financial services sectors, mainly involving small numbers of employees, often in managerial, supervisory or professional and technical grades. However, ACAS was aware that the possibility of derecognition was being considered by a slowly growing number of employers.

There were some further examples of trade unions agreeing single bargaining arrangements, whereby one union represents all groups of workers in a plant or organisation. Employers facing recognition proposals for the first time were usually only prepared to contemplate dealing with a single union. For example, inward investors, such as Toyota and Sony, concluded major new agreements with a single union during the year.

The process towards union mergers continued. For example, the Society of Graphical and Allied Trades and the National Graphical Association merged to form the Graphical, Paper and Media Union. The Amalgamated Engineering Union and the Electrical, Electronic, Telecommunication and Plumbing Union merged in 1992 to form the Amalgamated Engineering and Electrical Union. Proposals are being considered for a merger of the Confederation of Health Service Employees, the National Union of Public Employees and the National and Local Government Officers Association. If the merger went ahead, it would lead to a combined union with some 1.5 million members.

**Pay and Conditions**

During 1991 the level of wage settlements fell, with annual increases averaging between 4 and 6 per cent at the end of the year, compared with nearer 10 per cent at its start. There was further interest in the public sector in extending individual performance-related pay, especially in health, education and central government. Developments on performance-related pay in the private sector were more mixed – some employers extended it to a wider range of occupations, while others were looking at the advantages and disadvantages before proceeding further.

As with pay, the recession affected employee and trade union pressure for shorter hours. Nevertheless, agreements for reductions in working hours were reached in engineering and some other sectors. ACAS also observed a small, but growing, number of situations in which 'annualised' hours arrangements were introduced involving a total number of hours to be worked by individuals each year within a variety of working patterns.

**Changing Legal Framework**

Further proposals for changes to the law affecting industrial relations were set out by the Government in a Green Paper in July 1991 (see pp 310-12, 1991) and in a White Paper in February 1992 (see pp 70-4). The Govern-

Table 2
**Trade Union Membership 1980-90**

| Year | Number of unions at end of year | Total membership at end of year (thousands) | Percentage change since previous year |
|---|---|---|---|
| 1980 | 438 | 12,947 | -2.6 |
| 1981 | 414 | 12,106 | -6.5 |
| 1982 | 408 | 11,593 | -4.2 |
| 1983 | 394 | 11,236 | -3.1 |
| 1984 | 375 | 10,994 | -3.2 |
| 1985 | 370 | 10,821 | -1.6 |
| 1986 | 335 | 10,539 | -2.6 |
| 1987 | 330 | 10,475 | -0.6 |
| 1988 | 315 | 10,376 | -0.9 |
| 1989 | 309 | 10,158 | -2.1 |
| 1990 | 287 | 9,947 | -2.1 |

ment is also to bring together in one Act the bulk of legislation on collective bargaining, industrial action and the organisation of trade unions; the Trade Union and Labour Relations (Consolidation) Bill was introduced in the House of Lords on 19 May.

With the exception of certain measures on health and safety at work and an agreed directive on employees receiving a written statement of conditions of employment, the report notes that there was continuing disagreement between the Government and some of its European partners on proposals for European Community legislation on employment. The Government did not subscribe to the proposed separate agreement on social policy adopted by other member states (see p 73).

## TRADE UNIONS

The decline in trade union membership continued in 1990, when membership fell by 2.1 per cent to 9.9 million, according to an article in the April edition of *Employment Gazette*.[1] This was the eleventh consecutive year in which membership declined from the peak of 13.3 million in 1979. Current membership is the lowest since 1961. The proportion of employees who are union members has declined and in spring 1991 was 37.5 per cent in Great Britain, according to the Labour Force Survey.

[1] HMSO, £4.50. ISBN 0 11 729403 9.

Table 2 shows the trends in union membership and the number of unions since 1980. The number of unions fell during 1990 by 22 to 287 at the end of the year. Mergers continued, the largest being the formation of the National Union of Rail, Maritime and Transport Workers from an amalgamation of the National Union of Railwaymen and the National Union of Seamen.

The nine largest unions, each of which had over 250,000 members, accounted for 58 per cent of union membership. The largest was the Transport and General Workers' Union, with a membership of 1.2 million. However, many unions were small – 61 per cent of the number (174) having fewer than 2,500 members.

Further information on trade unions is contained in the annual report of the Certification Officer, published on 7 May.[1] The Certification Officer has a range of functions under industrial relations legislation, and maintains a list of trade unions and a list of employers' associations in accordance with the Trade Union and Labour Relations Act 1974. At the end of 1991 the lists comprised 309 trade unions (compared with 323 a year earlier) and 131 employers' associations (four fewer than at the end of 1990).

The report says that the number of claims from trade unions under the statutory

[1] *Annual Report of the Certification Officer 1991*. Available free from the Certification Office for Trade Unions and Employers' Associations, 27 Wilton Street, London SW1X 7AZ.

scheme for refunding certain costs of secret postal ballots continued at a high level in 1991. During the year 78 unions made applications for refund for 716 ballots, compared with applications from 85 unions for 680 ballots in 1990.

## Industry and Trade

**The Government has set out its priorities for helping to ensure that British industry and commerce are successful in home and overseas markets. It has emphasised the need to develop closer ties between government and business while avoiding direct government intervention.**

The President of the Board of Trade (Secretary of State for Trade and Industry), Mr Michael Heseltine, outlined the Government's principal objectives in relation to industry and trade at a conference in London on 1 June. He said that his overall aim was to see that British companies succeeded in world markets. This would be achieved by taking steps to bring about incremental changes in the following broad areas:

### Trade

The most important requirement was to create the conditions in which trade could flourish. This was especially important for Britain, which, in relation to output, exported more than the United States, Japan, Italy and France. The essential determinant of a firm's success in producing wealth was the scale and dynamism of the market in which it operated. Hence, of crucial importance were the issues flowing from the current negotiations of the General Agreement on Tariffs and Trade (GATT) and the single European market (see pp 166-72).

Mr Heseltine said that the present Uruguay round of talks under GATT had 'huge potential for providing a non-inflationary boost to world trade'. He, therefore, welcomed the progress made in reforming the Common Agricultural Policy (see pp 184-7). The Government had to continue bringing down barriers in order to complete the single market and pursuing policies on deregulation and fair competition within the single market. Its vision of the European marketplace in the 1990s was one in which restraints on enterprise were removed and competition was allowed to thrive 'in a huge, growing and genuinely single market'.

Trading in Europe posed the most vital challenge for British industry. Britain had to persuade its European partners to increase 'the drive for competitiveness' and to ensure that its 'policies to enhance competition in a deregulated marketplace are the essence of the wealth-creating process upon which the European experiment will eventually depend'.

### Economy

A second series of important issues for the Government stemmed from management of the domestic economy, said Mr Heseltine. The Government's economic policy was directed towards securing the lowest possible rate of inflation. Britain had to match, if not better, the performance of its main competitors, such as Japan, where inflation was only 2 per cent. The recent decline in the British inflation rate had been impressive. Since August 1991 it had been below the European Community average – for the first time since 1986. Nonetheless, there was still some way to go. It would be necessary to keep public expenditure firmly under control while at the same time obtaining the best possible value for money. At present the Department of Trade and Industry was responsible for less than 1 per cent of total public spending and there were no plans to change this significantly.

Over the last three years Britain's share of world trade had risen. However, since 1982 Britain had had a deficit on non-oil trade, and industry and the Government would need to take action to improve the situation. The world market was fiercely competitive, but British companies had to try to regain their hold in both home and overseas markets. There was no easy way to do this, particularly now that Britain had joined the exchange rate mechanism. Devaluation, for instance, was not the answer.

One of the most important reasons why Britain had lost markets was that pay levels

continued to be too high. Manufacturing earnings were presently showing an annual increase of more than 8 per cent, compared to an inflation rate of around 4 per cent. Meanwhile, the growth in earnings in manufacturing in Germany had been 6 per cent in 1991, 4 per cent in Japan and 3 per cent in the United States. Moreover, unit labour costs in Britain had risen by about twice the average rate of the other major industrial nations in 1991. A much greater degree of pay restraint was vital so as to build on the competitiveness that Britain had achieved in the 1980s.

**Enterprise**

Mr Heseltine went on to say that, in addition to macroeconomic policies, fiscal policy had a part to play in the management of the economy. Lower taxes provided managers and investors with greater motivation and opportunity; it was no coincidence that as taxes started to fall, small businesses grew rapidly in number.

The Government had done much else to assist small businesses, including reducing regulation (see p 379, 1991). Privatisation had improved competition and markets, and further measures would be taken later in 1992 to privatise the coal industry (see pp 193-5).

**Other Tasks for Government**

It was not enough to enlarge markets, create conditions for fair competition and manage macroeconomic and fiscal policies effectively. The nature of competition between the capitalist economies of the advanced world was so intense that only those countries with imagination and innovation in government and business could give their companies the opportunity of succeeding in world markets. The Government had to make sure that public resources were put to the best possible and most cost-efficient use, with the interests of the nation's industry and commerce at the forefront of its thinking. Education and training, research and development, export promotion and the environment were all areas where the Government could provide a positive influence.

*Education and Training*

The Secretary of State told his audience that, when considering education and training, the Government needed to focus on long-term objectives and excellence because major improvements took years to bear fruit. The pace of innovation had accelerated greatly in the past 20 years: the quality demanded of products and services was improving continually, making even greater demands on the workforce at all levels. A skilled and educated workforce was by far the most significant raw material of any country, and in the 1980s the Government had taken a fresh look at education, introducing such reforms as the National Curriculum (see pp 204-5).

Training was 'both a process and an attitude of mind'. Companies increasingly recognised the importance of investing in their workers as a way of staying competitive. British industry spent £20,000 million a year on training, with government training programmes adding almost £3,000 million to that figure.

*Research and Development*

Also critical to being able to compete in international markets was the effective use of research and development (R & D). The Goverment's decision to strengthen co-ordination of public sector R & D under a single Cabinet minister (see pp 123-6) was recognition of the need to derive maximum benefit from the scientific community.

There was competition in R & D, too, between companies and between governments and companies acting in partnership, to see who should take a technological lead. Increasingly, the scale of projects was leading to the formation of partnerships across national frontiers. EUREKA, for example, was a broad-based, industry-led, initiative, bringing together 20 European nations (see pp 195-6). The sharp increase in British participation in EUREKA had resulted in part from the Government's efforts to publicise the benefits of the project, provide guidance on application procedures and bring together companies with common R & D interests. This was a good example of government acting to facilitate, but not supplant, action by business.

*Export Promotion*

Technological co-operation in handling major projects had led to an emerging partnership between the Government and

industry to promote the sale of these products and services. The Government had to lend assistance in the sales field not just in areas like defence, where it had invested in R & D, but also in other large-scale projects which were subject to international competition. Hence, it had instigated major improvements in the government diplomatic network which helped to support commercial projects. The Government's Overseas Trade Services would continue to provide a wide range of advice, information and practical assistance to all concerned in exporting. Particular attention was focused on the needs of small and medium-sized firms, new and inexperienced exporters, firms trying to do business in difficult markets and large companies seeking major project business abroad.

*Environment*

Mr Heseltine said that environmental issues should be of concern to all who wanted to compete successfully in international markets: 'One of the motors of our economy in the years ahead will be our environmental performance.' Britain would only succeed if it was technically and managerially innovative; set high standards; was responsive to changing consumer demands; and if everyone worked consistently towards the same goals. It would be short-sighted to delay making the investment required to satisfy rising standards. Businesses that were able to anticipate regulatory and consumer requirements would reap the rewards.

The Government had a responsibility to set standards and to protect the environment. When dealing with industry, there had to be discussion on how to maximise 'the relationship between standards and commercial opportunities – more environmentally acceptable products, cleaner production technology, better use of resources such as energy, and grasping market opportunities at home and abroad for the manufacturers of environmentally related technology'.

The Government would support a two-way dialogue with business to:

– explain, especially to smaller companies, present and future environmental pressures bearing on their commercial prospects and their relationship with the wider community;

– identify the relationships between regulation and commercial success and ensure that these were given full weight by environmental policy makers and regulators;

– help develop technological solutions and, by using technology transfer, spread best practice; and

– help companies identify and exploit market opportunities in environmental technology and products.

**Dialogue with Industry**

Mr Heseltine concluded by saying: 'Government should listen to the wealth producers before [it takes] decisions about the production of wealth.' Effective dialogue between government and industry was essential and the Government intended to improve this. The first step had been to reintroduce the idea of sponsorship of industry. This did not entail public funding of or direct government intervention in industry, but simply a dialogue between industry and the relevant government department. In order to carry out this sponsorship role, the Department of Trade and Industry would be reshaped on a more sectoral basis. There would be specific responsibilities for different sectors of industry in order to achieve a more informed dialogue. The Government hoped to announce full details of the restructuring in the next few weeks.

## Common Agricultural Policy

**Britain has welcomed an agreement reached between European Community member states on 21 May on reform of the Common Agricultural Policy.**

**The Common Agricultural Policy**

The Common Agricultural Policy (CAP) accounts for about two-thirds of the Community's budget. It aims to ensure stable agricultural markets and a fair standard of living for agricultural producers and to guarantee regular supplies of food at reasonable prices.

For many commodities, minimum prices are set annually at which agencies of the

member states will purchase products, and there are levies on imports to maintain internal support prices. Surpluses are bought by intervention boards (the Intervention Board executive agency in Britain) to be stored and sold when appropriate. Intervention stocks can be disposed of within the Community where this can be done without disrupting internal markets. Exports are facilitated by the provision of export refunds to bridge any gap between Community prices and world prices.

**The Need for Reform**

Agricultural production under the CAP has increased considerably in recent years, reflecting rapid technical progress and farming efficiency as well as the high level of price support. As consumption has remained relatively stable, this has resulted in the emergence of surpluses. Britain has consistently pressed for CAP reform in order to bring supply and demand into better balance, to increase the role of market forces in agriculture and to make environmental considerations a part of the CAP.

Since 1988 there has been a legally binding limit on CAP market support expenditure and for most commodities there is an automatic cut in CAP support if production exceeds specified quantities.

In July 1991 the European Commission published detailed reform proposals for consideration by member states. Ministerial negotiations culminated in the agreement reached on 21 May.

**European Commission Proposals**

The original proposals drawn up by the Commission provided for compensation for cereal price cuts in Britain to be limited to about 40 per cent of the British cereals area, compared with 70 per cent elsewhere in the Community. Similarly, proposed cuts in milk production quotas would have affected 60 per cent of British producers and less than 1 per cent of Greek, Spanish and Portuguese producers.

The Commission's proposals on sheep headage limits meant that up to 15 per cent of eligible animals in Britain would have been excluded from premium payments against some 3 per cent in the rest of the Community.

During the negotiations, Britain succeeded in ensuring that:

– all land taken out of cereals production will be compensated;

– all ideas for differential milk quota cuts have been scrapped; and

– the Commission's discriminatory changes regarding sheep will not be implemented.

**British Statement**

Commenting on the agreement in a parliamentary statement on 22 May (*Hansard*, Vol 208, No 18, cols 629-37), the Minister of Agriculture, Fisheries and Food, Mr John Gummer, explained that the core of the reform was a reduction of cereals prices by about 30 per cent, which would benefit consumers of all products derived from cereals. Prices of beef would be reduced by 15 per cent, keeping beef competitive with other meats.

Changes in prices should, he considered, have a beneficial effect on the General Agreement on Tariffs and Trade (GATT) negotiations, since lower overall support was needed to ensure greater competition in world trade.

The Government had successfully resisted Commission proposals discriminating against larger farms, which were much more common in Britain than elsewhere in Europe. Mr Gummer continued: 'We argued that our farmers who set-aside [take land out of production] should receive the same compensation as others. That we achieved. We argued that we should move support from the storage of beef to those who look after animals, particularly in the most difficult areas. That we achieved. We argued that there should be no discrimination against our sheep producers. That we achieved. We argued that those who care for the hills and upland areas should be more directly supported. That we achieved.' In addition, the agreement made significant steps towards bringing environmental issues into the scope of the CAP.

'Finally,' he said, 'the Commission officially confirmed that the costs of the reformed CAP could be met within the agricultural guideline as presently constituted. There is thus no need for the increase in the base which the

Commission has been proposing in the context of the Community's future financing.'

**Main Provisions of Reform Agreement**

The Agriculture Council reached agreement in principle on measures to reform the CAP in the arable, milk, beef and sheepmeat sectors and on support prices for the 1992-93 marketing year.

*Arable Crops*

From the start of the 1993-94 marketing year, a new price support structure for cereals will come into effect. A new target price will be established, and over three years this will be reduced progressively from the present level by about 30 per cent. As now, an intervention price will set the minimum support level for Community cereals.

As a result of the price cuts, producers' returns for growing cereals will be reduced. To compensate for this, producers will be offered a direct subsidy on an area basis provided that they agree to take 15 per cent of their arable land out of production. They will be required to do this from autumn 1992; those with only small areas of arable crops, however, are exempt. If these measures prove less effective than expected in reducing production, the Council of Ministers will be able to increase the 15 per cent level.

The cereal price cuts will result in lower feed costs for pig and poultry farmers.

*Beef*

The intervention price for beef for 1992-93 has been frozen. From 1 July 1993 it will be reduced by 15 per cent over three years. Ceilings will be introduced progressively from the start of the 1993 calendar year on the annual amount which may be purchased by the intervention agencies. This will be 750,000 tonnes in 1993, falling to 350,000 tonnes in 1997 and thereafter; in 1991-92 over 1 million tonnes of beef were purchased by the agencies.

There will be a significant increase in the beef special premium (subject to regional ceilings on the number of claims) and the suckler cow premium paid to producers. There will be no headage limits on the suckler cow premium as originally proposed by the Commission.

*Sheep*

Although basic sheepmeat support prices for 1993 will remain at the 1992 level, there will be an individual limit on the number of animals eligible for ewe premium from 1993.

*Milk*

Milk support prices for 1992-93 have been frozen. In 1993-94 and 1994-95, however, the butter support price will be cut by 2.5 per cent a year. There will be no cuts in national milk production quotas for 1992-93. Quota cuts of 1 per cent in 1993-94 and 1994-95 have been agreed in principle, subject to review by the Council of Ministers in the light of the market situation at the time. Spain and Greece were granted additional milk quotas of 500,000 and 100,000 tonnes respectively with effect from April 1993 in order to overcome structural difficulties in those member states.

*Environment*

All member states will operate programmes to encourage environmentally sensitive farming. These programmes will contain schemes drawn from the following:

– extensification[1] of crop or livestock production where this would be environmentally beneficial;

– organic farming;

– environmentally friendly management of farmland;

– environmental upkeep of abandoned land;

– setting-aside farmland for at least 20 years for environmental purposes; and

– the management of land for public access and recreation.

All member states have until June 1993 to draw up area programmes covering their entire territory.

*Early Retirement*

It was agreed that, if they wish, member states could introduce early pensions for farmers aged over 55, whose land is removed from agricultural production or amalgamated with other farmland. This scheme is designed to facilitate restructuring in those member states with large numbers of small

[1] Extensification is the reduction of surpluses through the offer of financial services to farmers to lessen production.

fragmented farms. It will not be implemented in Britain, where the average farm is already five times larger than in the Community as a whole.

*Forestry*

The agreement offers higher Community reimbursement for afforestation of agricultural land and for premium payments for farmers. It also offers limited premium payments to non-farmers, and aid for the initial maintenance of trees.

## Food Safety

**The first annual report of the Food Advisory Committee, detailing its work in 1991, was published on 19 May.**[1]

**Government Advisory Committees**

An independent non-statutory body, the Food Advisory Committee (FAC) forms part of a network of committees that advises the Government on different aspects of food. The Advisory Committee on Novel Foods and Processes, for example, deals with matters relating to the manufacture of novel foods or foods produced by novel processes. The Advisory Committee on the Microbiological Safety of Food advises on the risk to humans from micro-organisms which are used in or occur on food. The FAC also takes the advice of the Committee on Toxicity of Food, Consumer Products and the Environment. Maintenance of close links between these and other committees is considered vital in ensuring continued safety of food supply.

The FAC's terms of reference are:

**1** to assess the risk to humans of chemicals which are used in or occur on food; and

**2** to advise ministers on the exercise of powers in the Food Safety Act 1990 (see below) relating to the labelling, composition and chemical safety of food.

The Committee can initiate items for discussion in addition to those referred to it by ministers.

[1] *Food Advisory Committee Annual Report 1991.* HMSO, £5. ISBN 0 11 242930 0.

**Food Safety Act 1990**

The Food Safety Act 1990 controls the use of food additives in Britain. Only those classes of additives listed in regulations made under the Act may be added to food, although they will be subject to specific controls under European Community and British legislation. Flavourings are at present the major exception to this rule, but are still subject to the general controls of the Act.

**The FAC's Work**

Among the activities highlighted by the FAC is its report on food labelling (see p 241, 1991), which made 38 recommendations – for example:

– on the information that should appear on food labels and the prominence of the different types of information;

– on indications of the methods of rearing and slaughtering animals; and

– on treatment of living animals and crops with veterinary medicines, pesticides, etc.

The Committee also continued reviews on additives used in foods especially prepared for infants and young children, on the labelling of foods developed using gene technology (see p 78, 1991), and on boiler water additives. The first of these reviews will help form a basis for negotiations on certain aspects of the European Community directive on food additives other than colours and sweeteners. The FAC's views will also form the basis of Britain's negotiating position on a forthcoming Community directive on dietary supplements.

The FAC's programme of work for 1992 includes a review of whether the information available to consumers in catering outlets is adequate to assist them to make dietary choices and whether any statutory requirements need to be placed upon caterers about the provision of information.

## Energy Efficiency

**The Government, 11 of the regional electricity companies in England and Wales,**

**British Gas and Ofgas have agreed to set up an Energy Savings Trust to save energy and protect the environment.**

### Energy Savings Trust

The Energy Efficiency Office, part of the Department of Trade and Industry, will be developing the Trust with British Gas and 11 of the 12 regional electricity companies (RECs – see pp 24-8, 1991). These RECs have agreed in principle to finance the Trust to run schemes to promote efficiency in electricity use, subject to acceptable proposals and suitable funding arrangements. Administration of schemes would be subcontracted by the Trust to other agencies where it would be more cost-effective to do so.

The three initial pilot schemes proposed by British Gas are intended to:

– finance improvements in the efficiency with which gas is used in low-income households;

– provide incentives and advice for those replacing their heating systems – to encourage the maximum cost-effective improvement in the efficiency with which they use gas; and

– stimulate investment in combined heat and power (CHP – which produces usable heat as well as electricity) schemes that benefit tariff customers.

It is intended that further schemes will be developed and allowed by the Office of Gas Supply (Ofgas), the industry's regulator.

Proposals by the RECs are likely to include the development of heat pump technology to reduce heating costs and the improvement of domestic building insulation standards.

### Recent Government Initiatives

Plans are in progress to strengthen and extend building regulations, to include: improvements in energy efficiency standards, their extension to renovation and conversion (which already applies in Scotland), and the incorporation of home energy rating (see p 74) into the regulations.

The Government has agreed to encourage training in energy efficiency. A body is to be set up to develop nationally recognised standards and qualifications.

### Secretary of State's Statement

The Secretary of State for the Environment, Mr Michael Howard, announced the Trust in the House of Commons on 13 May (*Hansard*, Vol 207, No 11, written answers, col 136). He said that the cost of the programme in the first year was unlikely to exceed £6 million, but that expenditure could be expected to rise in subsequent years. The Government would invite the Trust to make proposals for a pilot scheme of local energy efficiency advice centres for domestic and small business consumers.

Mr Howard said that costs might be recovered from British Gas's tariff customers through an 'E' factor added to the formula that controlled its average tariff price. The Trust, he continued, 'has the potential to make a real contribution to energy efficiency and to protecting the environment, most notably in reducing emissions of carbon dioxide, the principal contributor to the threat of global warming'.

## Oil and Gas

**At the end of 1991 there were, for the first time, 100 oil and gas fields in production in Britain. Offshore oil production decreased by 3.6 per cent in 1991, but onshore production increased by 110 per cent. Exploration and appraisal drilling activity was at its third highest level since 1964. Oil and gas reserves significantly exceed production to date.**

**Capital investment in the industry has more than doubled since 1988. The total value of orders connected with it was again over £6,000 million in 1991.**

**The first transboundary treaty between Britain and the Netherlands was signed on 26 May.**

The Department of Trade and Industry's 1992 review of Britain's oil and gas development, published on 30 April,[1] also covers economic, industrial, safety and environmental issues.

[1] *Development of the Oil and Gas Resources of the United Kingdom 1991*. Available from the Department of Trade and Industry, P.O. Box 30, Alton, Hampshire GU34 4PX. £30. ISBN 0 9045 5233 0.

**Oil and Gas Production**

Britain's total oil production was 91.3 million tonnes in 1991, compared with 91.6 million tonnes in 1990. The former figure included 3.6 million tonnes of heavier natural gases, 0.8 million tonnes of condensate and 3.7 million tonnes of onshore crude oil, of which 3.1 million tonnes were produced from the Wytch Farm field in Hampshire and the remainder from lesser fields in the East Midlands, Hampshire and Dorset. One new offshore oilfield and five onshore came onstream in 1991, bringing the total number in production to 46 offshore and 19 onshore fields.

In 1991 gas produced from the United Kingdom Continental Shelf (UKCS) amounted to 55,044 million cubic metres,[1] compared with 49,509 million cubic metres in 1990. Total sales of UKCS gas to gas suppliers amounted to 52,000 million cubic metres – 11.9 per cent higher than in 1990. One new offshore gasfield came onstream in 1991, bringing the number in production (including one onshore field) to 35.

**Exploration and Development**

During 1991, 107 exploration and 79 appraisal wells were started. Most of the drilling took place in the mature sedimentary basins to the east of the British Isles.

Fifteen significant offshore discoveries were announced in 1991: six of gas, five of oil, three of gas condensate and one of oil and gas. Onshore, 11 exploration and appraisal wells were started, but no significant discoveries were made.

In 1991, 11 offshore oilfields, two offshore condensate fields and four onshore oilfields were authorised for development in the UKCS. At the end of 1991 a total of 25 fields were under development. During 1991, 144 offshore development wells were drilled, 20 more than in 1990.

**Reserves**

The estimate of proven plus probable initially recoverable oil reserves in present discoveries shows an increase from 2,570 million tonnes in 1990 to 2,695 million tonnes in 1991. Possible reserves have increased from 620 million to 730 million tonnes. The maximum possible total shows an increase from 3,190 million tonnes in 1990 to 3,425 million tonnes in 1991. After deducting cumulative production to the end of 1991 – 1,465 million tonnes – remaining recoverable oil reserves in present discoveries are estimated to be in the range of 555–1,960 million tonnes.

Proven plus probable plus possible initially recoverable gas reserves in present discoveries now stand at 2.61 million million cubic metres. Proven plus probable reserves have increased from 1.96 million million cubic metres in 1990 to 2.04 million million cubic metres in 1991. After deducting cumulative gas production to the end of 1991 of 804,000 million cubic metres, remaining recoverable gas reserves in present discoveries are estimated to be between 540,000 million and 1.8 million million cubic metres.

Potential additional reserves (reserves found by exploration drilling about which insufficient is known to classify them as possible discovered reserves) are put at between 150 million and 360 million tonnes for oil and between 135,000 million and 305,000 million cubic metres for gas.

Estimates of undiscovered recoverable reserves, the report says, need to be treated with caution. Where detailed analyses have been carried out, only mapped prospects have been included in the database, which has been modified to reflect the drilling undertaken in 1991 and new mapping in these areas. Detailed assessments have been made in the northern and central North Sea, in the Southern Basin and Irish Sea, in the West of Shetlands and West of Scotland areas, and in the East Midlands, North Yorkshire, Humberside, Weald, the West and south-east England. Estimates for undiscovered oil lie in the range 540–3,395 million tonnes. For undiscovered gas, associated gas (that is, associated with oil accumulations) and condensate, the estimated range is 260,000 million to 1.25 million million cubic metres.

**Economic and Industrial Aspects**

In 1991 UKCS oil and gas production accounted for about 1.5 per cent of Britain's gross national product at factor cost. Total revenue from the sale of oil and gas produced from the UKCS in 1991 is estimated to have

[1] 1 cubic metre = 35.31 cubic feet.

Table 1

**Taxes and Royalties Attributable to UKCS Oil and Gas (and Gas Levy)**

*£ million*

| | 1987-88 | 1988-89 | 1989-90 | 1990-91 | 1991-92[a] |
|---|---|---|---|---|---|
| Royalties | 1,051 | 607 | 608 | 637 | 550 |
| Petroleum revenue tax | 2,296 | 1,371 | 1,050 | 860 | –200[b] |
| Corporation tax | | | | | |
| Total before advance corporation tax (ACT) set-off | 1,298 | 1,210 | 768 | 1,032 | 650 |
| *ACT set-off* | *681* | *700* | *520* | *548* | *400* |
| *Mainstream corporation tax* | *617* | *510* | *248* | *484* | *250* |
| **Total** | **4,645** | **3,188** | **2,426** | **2,529** | **1,000** |
| Gas levy | 502 | 400 | 335 | 291 | 282 |

[a] Figures for 1991-92 are provisional.

[b] The net petroleum revenue tax repayment of £200 million in 1991-92 resulted from a high amount of tax relief claimed on some oilfields.

*Note:* Differences between totals and the sums of their component parts are due to rounding.

been £8,000 million and £2,800 million respectively. The total value of sales of oil and gas produced onshore was £230 million, compared with £64 million in 1990. Tax and royalty receipts attributable to UKCS oil and gas are estimated to have been £1,000 million in 1991-92 (see Table 1), £1,500 million lower than in 1990 because of lower oil prices and higher investment.

Gross capital investment in the mineral oil and natural gas extraction industry (including investment by drilling and other contractors providing services to the industry) is estimated to have risen to some £5,100 million in 1991, compared with £3,600 million in 1990. It formed about 21 per cent of British industrial investment and 5 per cent of gross domestic fixed capital formation. Total investment between 1965 and 1991 came to about £46,000 million (£79,000 million in 1991 prices). Some 33,200 people were employed offshore in September 1991.

Table 2 shows the relationship between oil and gas production and primary fuel consumption. Britain's production of oil and gas in 1991 corresponded to about 42 per cent

Table 2

**Britain's Primary Fuel Consumption Compared with Oil and Gas Production**

*million tonnes of oil or oil equivalent*

| | 1987 | 1988 | 1989 | 1990 | 1991* |
|---|---|---|---|---|---|
| Primary fuel consumption | | | | | |
| Coal | 68.3 | 65.9 | 63.6 | 63.7 | 63.2 |
| Petroleum | 75.4 | 80.1 | 81.8 | 83.0 | 82.8 |
| Natural gas | 50.5 | 47.9 | 47.4 | 49.0 | 52.7 |
| Nuclear electricity | 11.7 | 13.5 | 15.4 | 14.2 | 15.0 |
| Hydro-electricity | 1.2 | 1.4 | 1.4 | 1.5 | 1.4 |
| **Total** | **210.0** | **211.9** | **212.4** | **215.0** | **219.0** |
| Oil production | 123.3 | 114.5 | 91.8 | 91.6 | 91.3 |
| Gas production | 40.8 | 39.3 | 38.3 | 42.5 | 47.3 |

* Figures for 1991 are provisional.

*Note:* Differences between totals and the sums of their component parts are due to rounding.

Table 3

**Analysis of Orders* Placed for Goods and Services for Development on the UKCS during 1991**

| | Value of orders in £ million | | British percentage | British percentage in 1990 |
|---|---|---|---|---|
| | Total | British share | | |
| Exploration | | | | |
| Surveying | 161 | 114 | 71 | 80 |
| Exploration and appraisal drilling | 344 | 261 | 76 | 79 |
| **Sub-total** | **505** | **375** | **74** | **80** |
| Development | | | | |
| Production platforms | 1,576 | 1,211 | 77 | 78 |
| Installation operations | 348 | 195 | 56 | 54 |
| Plant and equipment | 835 | 683 | 82 | 74 |
| Submarine pipelines | 432 | 254 | 59 | 61 |
| Development drilling | 186 | 149 | 80 | 81 |
| Terminals | 348 | 295 | 85 | 83 |
| **Sub-total** | **3,725** | **2,787** | **75** | **73** |
| Production | | | | |
| Maintenance and production | 630 | 624 | 99 | 98 |
| **Sub-total** | **630** | **624** | **99** | **98** |
| General services (excluded wherever possible from above) | | | | |
| Transport | 259 | 200 | 77 | 89 |
| Diving and underwater services | 156 | 146 | 94 | 91 |
| Drilling tools and equipment | 481 | 363 | 76 | 75 |
| Support of personnel offshore | 248 | 165 | 66 | 74 |
| Miscellaneous | 75 | 74 | 99 | 95 |
| **Sub-total** | **1,219** | **948** | **78** | **82** |
| **Total** | **6,079** | **4,734** | **78** | **77** |

* The figures represent orders over £100,000 in value for all sectors.

and 22 per cent of total primary fuel consumption respectively. Oil production, at 91.3 million tonnes, exceeded consumption (82.8 million tonnes), and there was a substantial export and import trade in crude oil.

In 1991 the total value of orders reported by operators for oil and gas development work on the UKCS was £6,079 million (see Table 3), of which the British share was £4,734 million (78 per cent), £50 million less than in 1990.

**Abandonment of Disused Installations**

In 1991 the abandonment programme for the Crawford oilfield installations was approved – the second such programme – under the terms of the Petroleum Act 1987. The programme provided for total removal of all field facilities, leaving a clear seabed, and for seabed monitoring after the abandonment.

**Britain-Netherlands Treaty**

The first transboundary treaty between Britain and the Netherlands, for the exploitation of the Markham gasfield, was signed in The Hague on 26 May.

Markham, in the Southern Basin, straddles the UKCS dividing line between Britain and the Netherlands. It has reserves of about 19,800 million cubic metres, some 40 per cent of which are on the British side. It is due to come onstream in October.

The treaty will enable the field to be developed as an integrated unit. It provides for co-operation between the two governments

on safety, inspection, measurement, appointment of a single operator (LASMO Nederland BV), approval of a development plan, abandonment, exchange of information, and determination and apportionment of reserves. Under the development plan proposed by all the licensees, gas from the British sector will be transported by pipeline to the Netherlands and sold there.

Britain has three other transboundary treaties – all with Norway – covering the Statfjord and Murchison oilfields, and the Frigg gasfield.

In the House of Commons on 2 June (*Hansard*, Vol 208, No 20, written answers, col 563), Mr Tim Eggar, Minister of State at the Department of Trade and Industry, called the treaty an important step towards fulfilling the Government's aims to expand trade in gas. 'Without the treaty', he said, 'and the co-operation between the two governments, a valuable resource would have remained unused under the North Sea.' The delivery of the field's output to buyers in the Netherlands and Germany, he continued, would be the first export of British gas to the Continent.

## Nuclear Energy

**A report by the Monopolies and Mergers Commission on the United Kingdom Atomic Energy Authority has been published.**

The United Kingdom Atomic Energy Authority (UKAEA) carries out nuclear research and development funded by the Department of Trade and Industry. Nine semi-autonomous businesses operate as AEA Technology (see pp 107-8, 1991).

### Government Statement

Publication of the report[1] was announced in the House of Commons on 13 May (*Hansard*, Vol 207, No 11, written answers, cols 144-5) by Mr Neil Hamilton, Parliamentary Under-Secretary of State at the Department of Trade and Industry. He said that the Monopolies and Mergers Commission (MMC) had concluded that AEA, reorganised only 16 months before the MMC inquiry started, was undergoing fundamental change. It could, in the MMC's view, continue to make efficiency and quality improvements, and could generate higher net revenue. The MMC had made 58 recommendations for improving AEA's performance.

The MMC, Mr Hamilton said, had been impressed by the 'expertise, enthusiasm and dedication of AEA's staff, and recognise the substantial progress made already with a radical change of culture'.

Other observations in the report were as follows:

**1** AEA planned to cut its staff further, by about a sixth, in order to contain costs and achieve a closer match of manpower to the needs of the businesses. Future viability would require significant growth and perhaps financial reconstruction.

**2** AEA had provided a service on behalf of the Government and had not been driven by primarily commercial considerations. Now, however, AEA was looking to run a far more commercial operation. Its businesses (four nuclear and five industrial) had forecast external sales ranging from £14 million to £126 million in 1991-92. It was, the MMC noted, too early to reach conclusions about its success, and there was still some way to go before transformation into a fully commercial enterprise was complete.

**3** AEA's nuclear activities accounted for two-thirds of its external sales.

**4** The entrepreneurial activities of its businesses, ranging from nuclear research to petroleum services, were somewhat constrained in the public sector. A decision on whether to remove them from the public sector would be appropriate after the Government's review of nuclear power in 1994 (see p 290, 1990).

The AEA, Mr Hamilton concluded, would produce a preliminary response to the Commission's findings within three to four months.

[1] *UKAEA: Report on Service Provided by the Authority.* Monopolies and Mergers Commission. Cm 1947. HMSO, £19.40. ISBN 0 10 119472 2.

# Privatisation of Coal and Rail

**The British Coal and British Rail (Transfer Proposals) Bill, which is the first step in the privatisation of these two organisations, has been given a second reading in the House of Commons.**

The Bill gives British Rail and British Coal powers to take any steps necessary to prepare for privatisation. It was given its second reading in the House of Commons on 18 May by 325 votes to 256 (*Hansard*, Vol 208, No 14, cols 22-115). Separate Bills will be introduced later in the parliamentary session for privatisation of the two organisations.

## PARLIAMENTARY DEBATE

### Government View

Introducing the Bill, the Secretary of State for Transport, Mr John MacGregor, said that it was 'an important first legislative step to bringing the benefits of the private sector and privatisation to the coal and rail industries'. Privatisation had resulted in the return to private enterprise of two-thirds of the companies once owned by the State – 46 businesses, employing about 900,000 people. New job opportunities had arisen and there had been improvements in the productivity and efficiency of all the privatised industries. For example, in British Telecommunications there had been 'substantial growth in telephones, payphones, telephone calls and performance, with a slimmer and more efficient workforce', with prices having been reduced by 27 per cent in real terms since 1984. Substantial achievements had been made in the transport sector – one example being British Airways, where productivity per employee had increased by over 20 per cent.

*Railways*

On the railways, Mr MacGregor said that British Rail could not be privatised in the conventional way as it was making substantial losses. Instead, the Government was proposing 'a mix of outright sale and a much greater involvement of the private sector'. The Government had two fundamental objectives: better services for the customer, and a much greater injection of private sector discipline.

The Government was committed to increasing the role of the railways in meeting Britain's transport needs. This had been reflected in recent years by support for record levels of investment. Investment in British Rail was about £1,000 million in 1991-92 and was expected to be about £1,500 million in 1992-93. In the past two years Network South-East had invested over £700 million, and more than 1,000 new vehicles had been delivered since 1986. Electrification of the east coast main line from London to Edinburgh had been completed in 1991 at a cost of £475 million.

British Rail had made significant progress and compared well in terms of efficiency in Europe. InterCity now operated without subsidy and British Rail's passenger's charter would improve its responsiveness to customers. These were steps in the right direction towards a more modern and efficient railway. However, British Rail's monopoly position was outdated and provided insufficient incentives for the improvement of its performance.

Mr MacGregor then gave the timetable for privatisation. Following the Bill, a White Paper on the future of the railways would be published in summer 1992. The main privatisation Bill would then follow in the autumn parliamentary session. The Government's proposals would reflect the following principles:

1 the Bill would provide for the franchising of passenger services, with the aim of achieving flexibility in the franchise structure, but with particular emphasis wherever possible on reflecting regional and local identities;

2 the Government would sell British Rail's freight and parcels businesses and be ready to sell stations;

3 it would establish a rail regulator to ensure that all companies had access to the track, to award franchises and to ensure that franchisees honoured their contracts;

4 British Rail's accounting and management systems would be reorganised, dividing the operation of track and infrastructure from the operation of train services – the operating side would continue to provide passenger services where these had not been franchised; and

5 the Government would ensure that the Railways Inspectorate had full powers on safety standards.

Mr MacGregor said that the Government recognised that many rail services met an essential social need but relied on subsidy. Subsidy would continue to be provided for those services where necessary. The Government's objective was to sustain the current national network.

Another important aspect of its policy was to liberalise access to the railway network for operators wishing to provide new services. British Rail had responded positively to the Government's request that it should give sympathetic consideration to proposals by private sector operators. The first new service – an overnight service from London to Edinburgh, operated by the Stagecoach group – had begun in May, while a number of private sector companies had also expressed interest in providing rail freight services.[1] The next stage of liberalisation would follow implementation of the European Community directive on the development of European railways. This required, from 1 January 1993, rights of access to rail infrastructure for international groupings of rail operators and individual operators of international combined transport. Liberalisation would also come from legislation to be introduced later in the parliamentary session to provide greater access to the rail network for all types of domestic rail services.

*Coal*

Mr MacGregor also outlined briefly the Government's reasons for privatising the coal industry. 'British Coal has a long tradition and a fine record … in technical and professional excellence, in mining, in improving productivity and safety.' However, the corporation had been 'artificially shielded from the real world by huge subsidies from taxpayers and electricity consumers'. Since 1979 the Government had provided grants of over £17,000 million. This had enabled new investment in the industry of over £7,500 million and the provision of over £6,000 million in deficiency grant under the Coal Industry Act 1990 to extinguish the industry's accumulated losses at March 1990. 'While demonstrating the Government's substantial commitment to the industry over recent years, that expenditure is also testimony to the massive burden that the industry has been on the citizens of this country.'

Following the financial reconstruction, British Coal had recorded a profit of £78 million in 1990-91 and a further profit was forecast for 1991-92. Privatisation would 'provide the spur to maintain that improvement'. The Government was determined to press ahead with privatisation as soon as possible so that the industry could establish a secure future on a commercial basis.

Winding up the debate, the Minister for Energy, Mr Tim Eggar, dealt with a number of points raised during the debate on a range of matters, including health and safety. On this subject he said that the Government was determined that high standards of health and safety would be maintained. Those standards should be based on comprehensive regulation, frequent and thorough inspections by the mines inspectors of the Health and Safety Executive, and the vigilance of the workforce and management.

Mr Eggar said that it was clear that the future of British Coal rested with privatisation. 'That is the way in which British Coal can best sustain and reinforce the achievements of recent years and, indeed, go on to even greater things. That is the way in which we can really ensure that the deep-coal mines of this country are able to compete and produce coal at competitive world prices.'

**Opposition Views**

For the official Opposition, its chief spokesman on transport, Mr John Prescott, argued against the privatisation of British Rail. He said that there was overwhelming evidence that bus privatisation and deregulation had been bad for an industry that depended on combining profitable and non-profitable services that ran at profitable and non-profitable times. British Rail had always been more efficient than most of the equivalent operators on the continent of Europe, and should remain in public ownership. However, differ-

[1] A number of privately owned wagons and locomotives are already operated on the British Rail network for customers of British Rail.

ent forms of financing, such as leasing or public bonds, were necessary.

The Opposition's chief spokesman on energy, Mr Frank Dobson, also opposed the Bill. He said that British Coal's collieries were the most efficient in Europe and twice as safe as any other in the world. The most likely purchasers of British Coal were international mining companies, which had a much worse safety record than British Coal. While objecting to coal privatisation 'because of the cost to the taxpayer, the cost to the balance of trade and the cost to our fuel reserves, our deepest objection to coal privatisation springs from our fears for the safety of the miners'.

For the Liberal Democrats, its trade, industry and employment spokesman, Mr Malcolm Bruce, said that the coal and rail industries both needed restructuring and access to private capital. The terms of the Bill were necessary and acceptable as they would be required by anyone who would be changing either industry. He hoped that by going through the process in the Bill there would not be excessive expenditure on paving the way for privatisation as had occurred in the past. On coal privatisation he suggested that it would be appropriate for the Government to adopt a similar practice as for oil and gas – 'to transfer the ownership of coal to the Crown and license it through, perhaps a Crown agency', which could be the regulator for the industry.

## Research and Development

**The Government has outlined its priorities for future European Community research and development (R & D) strategy. British companies are taking part in a record number of collaborative projects in the EUREKA R & D programme, including a new initiative to improve the performance of the European gallium arsenide semiconductor industry. An agreement on collaborative research in nuclear structure physics has been signed between Britain and France.**

### Fourth Framework Programme

The Government's priorities for the Fourth European Community Framework Programme of scientific research and development are set out in a paper[1] published on 1 June. Drawing together the views of British science and technology policy-makers, it forms Britain's initial contribution to the European Commission's proposals for future R & D strategy.

R & D Framework Programmes have been organised and funded by the European Commission since 1984. Each programme supports about 15 specific areas of research carried out in the European Community (EC), costing around 2,000 million ECUs a year in total. The Fourth Framework will begin when negotiations among member states have been completed, and will overlap with the Third Framework, which ends in 1994 (see pp 236-7, 1989).

The Government recommends that:

– the Fourth Framework should be developed on the basis of rigorous evaluation of research carried out to date;

– the EC should develop generic technologies that have a wide range of industrial applications, rather than fund research projects to meet the needs of specific industrial sectors;

– the EUREKA programme (see p 281, 1991, and below) should be used more actively to bring into the market technologies developed under EC programmes;

– the Fourth Framework should contain new programmes on transport and social sciences;

– more resources should be devoted to disseminating technology from research projects to small and medium-sized enterprises; and

– EC spending should be stabilised following the recent period of rapid growth.

### EUREKA

British organisations are participating in 43 out of a total of 102 new projects launched under the EUREKA R & D programme in 1992. EUREKA is a major industry-led initiative which promotes collaborative research in fields of advanced technology between industry and universities and other

[1] *United Kingdom Paper on the Fourth Framework Programme.* Available free from the Cabinet Office (Office of Science and Technology), 70 Whitehall, London SW1A 2AS.

research establishments throughout Europe. There are now 623 agreed EUREKA projects, with a total value approaching £6,000 million.

In a speech at the tenth EUREKA Ministerial Conference in Tampere, Finland, on 22 May, Baroness Denton, Parliamentary Under-Secretary of State at the Department of Trade and Industry, welcomed the steady increase in awareness of the initiative within British industry. The long-term commercial relationships arising out of research collaboration were especially beneficial to small firms, which comprised more than a quarter of British companies involved in EUREKA.

The enhancement of the performance of European producers of gallium arsenide, a compound semiconductor with the potential to rival silicon, was one of the major EUREKA projects described by Baroness Denton. Aimed at identifying weaknesses within the European semiconductor industry and at improving links between equipment, materials and user companies, the project could enable the industry to compete successfully with semiconductor industries in the United States and Japan. Gallium arsenide has a number of advantages over silicon, and is likely to form the basis of many highly specialised components. These could be used in a variety of applications, ranging from personal communications to collision warning devices.

**Collaboration on Nuclear Structure Physics**

A co-operation agreement between Britain and France on nuclear structure physics research was signed on 29 May. It follows successful collaboration between British and French scientists to build the world's most sensitive gamma-ray detector, EUROGAM, installed at the Science and Engineering Research Council (SERC) nuclear structure facility at Daresbury Laboratory, near Warrington, Cheshire.

The total cost of EUROGAM, £5.5 million, is being shared equally between SERC and its French partner. EUROGAM is the first project being conducted under the agreement, and uses high-quality, heavy-ion beams produced by the SERC nuclear structure facility. It will operate in conjunction with the Daresbury recoil mass separator, a highly sensitive device for identifying the species of nuclei which emit gamma rays. Together they provide an unparalleled facility for the study of the nucleus. In 1993 EUROGAM will be moved to the Vivitron nuclear structure facility at Strasbourg, where new detector elements will be added.

Under the co-operation agreement, a joint management committee will be set up to explore potential fields of collaboration and identify joint projects in areas of common interest.

Areas already identified for collaboration include:

– further development and exploitation of the EUROGAM gamma-ray detector;

– studies of reactions induced by charged nuclear particles;

– nuclear structure theory; and

– particle accelerator development.

## Shorter Note

### CHANNEL TUNNEL RAIL LINK

The Government has asked British Rail (BR) to design the proposed Channel Tunnel rail link as a two-track route capable of taking freight as well as passengers if there were sufficient demand, it was announced on 21 May.

The proposed fast rail link (see pp 159-60, 1989, pp 249-50, 1990, and p 380, 1991) is intended to be taken forward by the private sector. However, work on refining the route proposed by Ove Arup, which approaches London from the east, is being undertaken by BR. Detailed proposals are expected to be ready by the end of 1992.

Announcing the provisional decision in the House of Commons, the Secretary of State for Transport, Mr John MacGregor, said that the Government attached importance to encouraging the transfer of freight from road to rail. BR had therefore been asked to allow for the new line to take freight. A route would be defined for the construction of a two-track railway with a freight capability built to continental loading gauge standards. The ad-

ditional cost of extra tracks dedicated to freight would be substantial and would not be justified by even the most optimistic forecasts for demand. The Government would confirm its views on these matters after consultations with the relevant local authorities and other interested parties.

Source: *Hansard*, Vol 208, No 17, written answers, col 200.

# Environmental, Social and Cultural Affairs

## United Nations Conference on Environment and Development

**The United Nations Conference on Environment and Development met in Rio de Janeiro, Brazil, on 3 June. Britain has announced that, despite initial concerns, it would be able to sign a Convention on Biological Diversity. In the run-up to the conference Britain presented the European Commission with a report on Britain's strategy for limiting carbon dioxide emissions, and published details of how Britain is helping developing countries through technology co-operation and transfer. European Community environment ministers discussed their approach to the Conference at a meeting of the Environment Council on 26 May.**

### UNCED MEETING

The United Nations Conference on Environment and Development (UNCED – see pp 145-6) meeting – popularly known as the 'Earth Summit' – is due to last from 3 to 14 June. Delegations from over 160 countries are expected to attend, with many representatives of non-governmental organisations, such as industry and trade unions, also being present in Rio de Janeiro. The British delegation is headed by the Prime Minister, Mr John Major.

The main items to be dealt with at UNCED are:

– a Framework Convention on Climate Change;

– a Convention on Biological Diversity; and

– 'Agenda 21', a comprehensive action plan covering other aspects of sustainable development which will aim to assess how the atmosphere, oceans, poverty, population and economic growth inter-relate.

The outcome of the UNCED meeting will be covered in the July issue.

#### Opening of Meeting

The meeting was opened on 3 June by the Secretary-General of the United Nations, Mr Boutros Boutros-Ghali. In his address he said that the meeting was proof that mankind had understood how fragile the Earth was. The meeting was looking at a time-frame beyond the span of the individual lives of those present, since it was still possible for mankind to waste the planet's resources at the current rate for a few decades more, but for future generations it would be too late.

Mr Boutros-Ghali said that he was inclined towards optimism about the outcome of the Conference, thinking of the positive developments that had taken place in recent years and of the efforts, imagination and enthusiasm that had gone into the preparations. Development was the central concept of the Conference; if it did not prove possible to expand the concept of development further towards sustainability, mankind would be faced with the paradox of the Earth suffering simultaneously from underdevelopment and overdevelopment. 'One point must be clearly stated: one cannot protect a natural resource by denying its use to those who depend upon it for survival.' In many countries, therefore, action against poverty helped protect the environment. 'Produce, consume, but recycle, too: these are three key concepts for the future.'

The Secretary-General congratulated governments on the agreements reached on the Framework Convention on Climate Change and the Convention on Biological Diversity, both of which would be opened for signature at the meeting. The Framework Convention on Climate Change launched a process of co-operation aimed at keeping greenhouse gases within the atmosphere within safe limits. 'The initial level of commitment is not as high as many would have wished. But a low threshold should maximise participation, which is one condition for effectiveness. And the process of policy review should improve commitments over time.'

Especially in the area of sustainable development, action had to be taken in the face of uncertainty. It would therefore be necessary to ensure that emerging opinions among scientists received full attention in the decision-making process. 'We have to find innovative ways of promoting a dialogue between science and politics in the context of the follow-up to this conference.'

## BRITAIN'S POSITION ON UNCED

### House of Commons Debate

A debate on the UNCED meeting was held in the House of Commons on 3 June (*Hansard*, Vol 208, No 20, cols 848-919). Outlining the Government's position, the Secretary of State for the Environment, Mr Michael Howard, said that 20 years had passed since the first United Nations conference on the environment in Stockholm, Sweden. That had been attended by only one Prime Minister; by contrast more than 100 heads of state or government would lead their countries' delegations to the UNCED meeting.

At the time of the previous conference, Mr Howard continued, the global agenda had been dominated by the need to avert the threat of a global nuclear holocaust: 'the problems that we are addressing at the Earth Summit are hardly less important for the future of mankind – and they are no less difficult'. Putting the planet on a course towards sustainable development would require qualities of vision, sense of scale, and realism: 'those are the qualities that the Government are determined to bring to the task, which is why I do not share the pessimism and faint-heartedness of those who so glibly dismiss the Earth Summit as a failure before it has even begun'.

The first of the policy areas to be addressed at Rio de Janeiro would be the creation of new international legal institutions to deal with the problems of climate change and conserving biodiversity. Secondly, the Conference would set out to agree Agenda 21, a comprehensive framework of action by governments, international and regional organisations and other bodies. Thirdly, agreement would be sought on a statement of principles on environment and development – the Rio declaration. This would update the principles agreed at the Stockholm conference; the Government looked to the Rio declaration to provide an equally durable basis for the next two decades.

*Climate Change*

The intergovernmental negotiations on climate change (see pp 145-6) had been concluded on 9 May with the adoption of a Framework Convention on Climate Change, which would be opened for signature at UNCED. Britain would sign it at the meeting. The convention was not lacking in content, since it committed all signatories to devising and reporting on the measures that they proposed to take to combat climate change. It also committed all developed countries to take measures aimed at returning emissions of carbon dioxide ($CO_2$) and other greenhouse gases to 1990 levels by the year 2000.[1]

The outcome of the negotiations represented a significant first step in the global response to climate change, but it was only a first step, and others would follow. As scientific knowledge increased, it might become necessary to make further commitments to limit emissions; the review process incorporated into the convention was therefore one of its most important aspects.

*Biodiversity*

The draft biodiversity convention contained many useful elements. However, its financial provisions caused Britain considerable concern, since it was possible on one

[1] Britain had already accepted this target for $CO_2$, provided other countries took similar action (see pp 145-6).

interpretation that they would allow the conference of parties to the convention to determine the amount of contributions that would have to be made by other countries. The Government was continuing to examine the text very closely and making considerable efforts so as to be able to sign, and he very much hoped that these would succeed.

*Other Aspects*

Mr Howard said that, in addition to its prominent part in the negotiations, Britain had made a number of contributions to the overall success of UNCED. These included assisting a number of developing countries with the cost of preparing their contributions, financing a vigorous preparatory process for British non-governmental organisations and making available $1 million to prevent the collapse of the global forum of non-governmental organisations in Rio de Janeiro (see pp 145-6).

Developing countries would need help in achieving new patterns of sustainable development. The single most important assistance was an improvement in the world trading system; recent agreement on reform of the Common Agricultural Policy (see pp 184-7) had opened the door to the possibility of completing the Uruguay Round of the General Agreement on Tariffs and Trade.

Britain had also consistently taken a lead on debt, having given developing countries over £1,000 million of debt relief since 1979. In September 1990 Mr Major, at that time the Chancellor of the Exchequer, had proposed a new set of terms for relief of debt for the poorest countries (see pp 346-7, 1990). All new aid to the poorest countries was given on grant terms.

Environmental concerns were also increasingly emphasised in aid provision, with help being given to population programmes, reforestation and forest protection, energy-saving programmes and other environmentally beneficial developments. In the previous two years Britain had played a leading part in helping the World Bank, the United Nations Environment Programme and the United Nations Development Programme to set up a new instrument, the Global Environment Facility (see pp 424-5, 1990).

*Conclusion*

Mr Howard said that the process set in train by UNCED would not end with the close of the meeting, but would evolve and lead to further action to deal with global environmental problems. The establishment of environmental ministers in every government department and the integration of environmental policies across government had taken Britain to the forefront of the implementation of environmental management of national policies; UNCED offered the chance to begin the same process on a world scale.

The key elements would be good science, monitoring of the state of the environment, realistic commitments to improvement, practical measures for tracking targets and relentless chasing of progress. The Government had the political will to adopt that course and follow it with vigour: 'We shall be using our substantial international influence to involve other countries in the same process. I intend to do my utmost to ensure that our children look back to the Earth Summit in Rio as a critical turning point for the future well-being of our planet.'

**Biodiversity Convention**

On 9 June Mr Howard announced that Britain would now sign the biodiversity convention during the UNCED meeting. He said that the convention represented 'a determined effort by the countries of the world to construct a framework for international co-operation to protect the world's species and their habitats'. It would help countries to implement plans that both met their own national needs and contributed towards the benefits of conserving biodiversity globally.

The Government had had to examine the text of the treaty very carefully since it was concluded, being concerned about the apparently open-ended financial commitment that the convention might impose on developed countries. However, it was now satisfied that means could be found to ensure that no country was obliged to contribute open-endedly. The Secretary of State said that Britain fully accepted that many developing countries would need assistance to carry out their obligations under the treaty, and would

contribute additional resources for this purpose through the Global Environment Facility.

## ENVIRONMENT COUNCIL

The European Community's Environment Council met on 26 May. Reporting to the House of Commons on 3 June (*Hansard*, Vol 208, No 20, written answers, cols 544-5), Mr Howard said that the Council had agreed that the Framework Convention on Climate Change constituted a significant first step in tackling the problem. The Council had urged all countries to sign the convention and ratify it as soon as possible, and had agreed that the Community should sign it. The European Commission had given a brief presentation of its preparations to present proposals for a strategy for the reduction of $CO_2$ emissions, which would include plans for a carbon or energy tax. The Council had also noted the contents of the Commission's Fifth Environmental Action Programme,[1] entitled 'Towards Sustainability'. In the light of UNCED, an undertaking was made to accord the highest priority to consideration of its contents so that it could become operative by 1 January 1993.

The Council had also agreed a new directive on air pollution by ozone, requiring member states to monitor the problems on a consistent basis and to publish information in the event of ozone concentrations exceeding specified thresholds.

## CARBON DIOXIDE EMISSIONS

$CO_2$ is the main 'greenhouse gas', emissions of which could cause global climate change (see pp 222-4, 1990). It was agreed in December 1991 that all European Community member countries should submit reports to the European Commission on national strategies for limiting $CO_2$ emissions.

[1] European Community environmental policy has developed under four successive action programmes, the last of which runs until the end of 1992. The Commission has adopted the draft fifth action programme, which will be debated in the Community institutions. It will then serve as the basis for establishing priorities and sharing responsibilities, in accordance with the subsidiarity principle, in relation to environmental policies to be pursued within the European Community.

The British report,[1] published shortly before the UNCED meeting, re-emphasised the Government's willingness to stabilise emissions at 1990 levels by the year 2000, provided that other countries took similar action (see pp 145-6). It regarded the agreement of a climate change convention as a significant step forward in the global response to climate change. The British strategy was set out in the environment White Paper *This Common Inheritance* (see pp 358-61, 1990). The first priority was to implement measures that would encourage people to use energy more efficiently, or which were worthwhile in their own right.

The report set out developments since the publication of the first year report on the White Paper (see pp 381-2, 1991). These included:

– the launch of a three-year £10 million publicity campaign aimed at householders called 'Helping the Earth Begins at Home' (see p 458, 1991), which explains the link between energy use in the home and $CO_2$ emissions;

– the meeting of a target for the Government's Home Energy Efficiency Scheme (see p 319, 1990) to complete 200,000 insulation jobs in its first year of operation;

– the launch of the 'Making a Corporate Commitment' campaign (see p 377, 1991), aimed at senior industrialists, to persuade them to make a commitment to review energy efficiency strategy and set targets;

– the launch of a new scheme, the Energy Management Assistance Scheme (see p 74), to encourage small and medium-sized organisations to investigate and invest in energy efficiency projects; and

– the adoption of a target by local authorities in England to reduce energy consumption by 15 per cent over five years, to match the existing similar target set by central government.

The report also said that the forested area of Britain was increasing by about 19,000

[1] *Climate Change: Update on United Kingdom National Programme for Limiting Carbon Dioxide Emissions.* Available free from the Department of the Environment, 2 Marsham Street, London SW1P 3EB.

hectares (47,000 acres) a year, which meant that the amount of carbon absorbed by woodlands was rising significantly.

Announcing the report in Parliament (*Hansard*, Vol 207, No 13, written answers, col 237) on 15 May, Mr Howard said that Britain's strategy built on that first set out in *This Common Inheritance*. He also referred to the agreement reached with the energy utilities to establish an Energy Savings Trust (see p 188): 'This is an important further initiative which will make a real contribution to the United Kingdom's part in the international efforts to reduce emissions of $CO_2$.'

## TECHNOLOGY CO-OPERATION

The Government has published a booklet[1] outlining the ways in which Britain is helping developing countries through technology co-operation and transfer. It refers to almost 50 separate examples of co-operation, including:

– a joint venture to promote the use of reverse-osmosis technology to desalinate brackish water in India;

– the supply of equipment for making fibre-concrete roofing tiles to enable local manufacturing businesses to be set up; and

– a large number of training projects, between them passing on a wide range of skills.

Announcing the publication of the booklet in the House of Commons on 22 May (*Hansard*, Vol 208, No 18, written answers, cols 272-3), Mr Howard said that Britain had a history of contributing technology and expertise to assist developing countries, and had actively promoted the importance of technology co-operation both in the debates preparatory to the UNCED meeting and elsewhere. The booklet illustrated the activities of many British companies and emphasised the role of skill and know-how in the transfer of technology.

[1] *Technology Co-operation: Britain's Experience*. Available free from the Environmental Protection International Division, Department of the Environment, 2 Marsham Street, London SW1P 3EB.

# Conservation

**Britain has become one of the first countries to sign a new international agreement to conserve dolphins and other small cetaceans in the North and Baltic Seas. Support for voluntary organisations to run nature reserves has also been announced.**

### Dolphin Conservation

The Agreement on the Conservation of Small Cetaceans of the Baltic and North Seas was negotiated under the Bonn Convention on the Conservation of Migratory Species of Wild Animals, to which Britain is a party together with 38 other states. Negotiations towards the agreement were concluded in Geneva, Switzerland, in September 1991, and Britain signed the agreement on 16 April. Germany and Sweden have also signed, and other Baltic and North Sea states are expected to do so soon.

Under the agreement, Baltic and North Sea states will co-operate both in research and management. Each country will set up a co-ordinating authority for the agreement, which for Britain will be the Department of the Environment. Commenting on the agreement on 5 May, Mr David Maclean, Minister of State at the Department of the Environment, said that Britain was fortunate to have a number of small cetacean species present in its waters, which already received protection under domestic law. However, much fundamental research needed to be done on a European scale, and the agreement would facilitate that: 'We hope that one of its first objectives will be an assessment of existing populations of all the small whale species in the North Sea.' Mr Maclean announced that Britain would finance an interim secretariat for the new agreement, to be provided by the Sea Mammals Research Unit in Cambridge. This would speed up the initial work needed to get the agreement into operation and encourage other Baltic and North Sea states to join it.

### Nature Reserves

A total of £150,000 will be made available in 1992-93 to voluntary organisations to manage nature reserves, it was announced on 19 May.

The grants are made under a new three-year pilot scheme run by English Nature.[1] It will meet up to half the cost of managing nature reserves run by voluntary bodies – initially county wildlife trusts affiliated to the Royal Society for Nature Conservation. The trusts will be invited to submit proposals, and six will be chosen in the first year. Standard annual payments will reflect half the cost of managing different habitat types. Mr Maclean said that the Government fully supported the scheme, which would underpin the valuable work of the county wildlife trusts and encourage more voluntary effort in safeguarding wildlife sites.

## Pollution

**The Government is making available to members of the public more advice on reducing air pollution, and has set up a new air quality hotline. Recently published research has indicated the extent to which remedial action is required to deal with radon in the home. Improvements in the registration of pesticides have also been achieved.**

### Air Pollution Advice

A government leaflet on ozone-depleting substances was launched on 21 May by the Minister of State for the Environment and Countryside, Mr David Maclean. The leaflet, which will be available free from a number of supermarket chains, alerts consumers to products that still contain chlorofluorocarbons (CFCs) and other substances that deplete the Earth's stratospheric ozone layer. It also contains advice on the disposal of old fridges and freezers. Its aim is to make more people aware of what they can do to assist in phasing out CFCs and other ozone-depleting substances, as required by international agreements to which Britain is a party (see pp 256-8, 1990, and p 83).

Mr Maclean said that British industry had made great efforts in moving away from CFCs, but that it was also important that consumers were fully aware of products that did still use ozone-depleting substances: 'Everyone has a role to play in saving the ozone layer, whether it be the person buying a new car, or the manufacturer creating new ozone-friendly products. Our leaflet will help the consumer to choose non-ozone-depleting substances.'

Advice is also given in a new leaflet on reducing photochemical smog, launched on 22 May by Lord Strathclyde, Parliamentary Under-Secretary of State at the Department of the Environment. 'Summer smog' forms in hot, sunny weather as a result of the action of sunlight on certain gases, such as oxides of nitrogen and volatile organic compounds, produced mainly by motor cars, industry and certain domestic solvents, such as those found in gloss paint. Lord Strathclyde said that members of the public could do much to help tackle the problems of photochemical smog when poor air quality was forecast: 'The 12 most effective actions we can all take range from trying not to use the car to avoiding the use of solvent-based paints and putting off bonfires.'

### Air Quality

A new free air quality helpline[1] giving air quality readings from all over Britain was launched on 6 May. The replacement of the two existing lines (see p 395, 1990, and pp 238-9, 1991) means that the Government's advice about air pollution levels and health advice is now free of charge. Announcing the service, Lord Strathclyde said that the new number would give everyone access to information about ground-level ozone and other air pollutants, as well as advice on what to do if levels rose. The information would also continue to be sent to the media free of charge. Stressing that government measures, such as the compulsory fitting of catalytic converters on new cars (see pp 36-7, 1991), would significantly cut emissions, Lord Strathclyde said that ground-level ozone concentrations in Britain did not have any permanent effects on health, but that those who were more sensitive could lessen discomfort by avoiding outdoor exercise if levels rose.

[1] English Nature was set up in April 1991 to take over the functions of the former Nature Conservancy Council in England – see pp 81-4, 1990).

[1] The service is available on 0800-556677; like all 0800 numbers, it is free of charge to the caller.

### Radon

The Government has welcomed the publication of a report by the National Radiological Protection Board (NRPB) giving the results of surveys of radon in dwellings in England.

Radon-222 is a naturally occurring radioactive gas, which is given off from all soils but particularly from areas of igneous rock, such as granite. It disperses rapidly in the atmosphere, but when entering houses or other enclosed spaces can build up into dangerous concentrations. In 1987 the Government announced an action programme to deal with the problem, which was broadened in January 1990 following new advice from the NRPB (see p 70, 1987, and p 90, 1990). The Government has also accepted in principle a House of Commons Select Committee on the Environment recommendation that the majority of homes above the radon action level of 200 becquerels per square metre should be identified by the year 2000.

The new NRPB report,[1] published on 13 May, summarises the results of the radon surveys that the Board carried out in England up to the end of 1991. Welcoming the report in Parliament (*Hansard [HL]*, Vol 537, No 8, written answers, col 7), Lord Strathclyde said that it showed how much progress had already been made towards meeting the Select Committee recommendation. He said that the NRPB now had valid measurements for radon in about 92,000 homes, of which 12,000 were above the action level. These measurements did not reflect the national picture, since they had been concentrated in areas such as Devon and Cornwall, where indoor radon levels were known to be high. The pattern of results was in agreement with the predictions of the NRPB that about 100,000 homes in Britain would have elevated radon levels, with about 60,000 of those being in Devon and Cornwall. All householders had been informed of their results and had received copies of a government booklet explaining how radon concentrations could be reduced quite simply. Lord Strathclyde urged everyone who knew their homes were above the action level to take remedial measures.

[1] *Radon in Dwellings in England*, by B. Green, P. Lomas and M. O'Riordan. Available from the National Radiological Protection Board, Chilton, Didcot OX11 0RQ, £10. ISBN 0 85951 349 1.

### Pesticide Registration

Significant improvements in the registration and reviewing of pesticides have been achieved, it was announced on 11 May. The second annual report of a five-year programme to improve the efficiency of the system has shown that waiting times for pesticide registration have fallen considerably. The programme for the systematic review of older pesticides had also been taken forward. Moves towards greater openness in the pesticides system had been continued over the period of the report, with evaluation reports being published for all new and reviewed active ingredients. A major campaign against illegal poisoning had been mounted in conjunction with conservation and sporting interests. Welcoming the report, Mr Nicholas Soames, Parliamentary Secretary at the Ministry of Agriculture, Fisheries and Food, said that substantial progress had been made: 'We are investing heavily in this work as part of our five-year plan and that investment is now bearing fruit.'

## Education

**Recent developments in education include information about the assessment of pupils' progress in the National School Curriculum, a review of technology teaching in schools, and the appointment of the new Chief Inspector of Schools in England.**

### NATIONAL SCHOOL CURRICULUM

#### Assessment and Recording

Effective assessment of pupils' progress in the National School Curriculum was more widespread in schools in 1990-91 than in 1989-90, says a report published by Her Majesty's Inspectorate.[1]

The assessment and recording of pupils' achievements and reporting them to parents

[1] *Assessment, Recording and Reporting: A Report by HM Inspectorate on the Second Year, 1990-91*. HMSO, £3.50. ISBN 0 11 270800 5.

are important features of the National Curriculum. The report says that at Key Stage 1 of the Curriculum for pupils aged between 5 and 7:

– assessment has played a part in improving the quality of teaching and learning in year 1 and 2 classes;

– many teachers were keeping better records of children's attainment and wrote clear and informative reports for parents at the end of the summer term;

– parents wanted information about their children's progress and valued the increased amount that schools were providing; and

– the standard assessment tasks helped to raise some teachers' expectations and to improve the judgments made about routine classwork.

On Key Stage 3 for pupils aged between 11 and 14 the report notes that, while teachers were keeping better records for National Curriculum purposes, they were not making enough use of these records.

Welcoming improvements in assessment, recording and reporting practice, the report identifies a number of issues that schools and teachers must address if the assessment process is to be taken forward successfully. In particular, it recommends that:

– teachers should make better use of assessment information in planning lessons and in setting new targets for pupils;

– day-to-day marking needs to be used by teachers to diagnose weaknesses in pupils' work;

– the development and review of assessment policies should be a priority within school development plans; and

– standard assessment tasks need to be manageable and guidance to teachers more detailed so that consistent standards can be applied.

### School Technology

Following advice tendered by the National Curriculum Council, the Secretary of State for Education, Mr John Patten, has decided that Her Majesty's Inspectors should carry out a review of technology in the National Curriculum.

Giving details to the House of Commons on 2 June (*Hansard*, Vol 208, No 20, written answers, cols 447-8), Mr Patten said that the main objectives of the review would be to:

– increase teachers' expectations of children's abilities;

– specify more clearly the skills and knowledge which pupils should acquire at each stage;

– place more emphasis on the practical element of the subject; and

– improve the manageability of the Curriculum in the classroom.

On completion of the review, Mr Patten said, proposals would be drawn up for statutory consultation. He hoped that implementation would be possible in August 1994 for pupils up to the age of 14 and in August 1995 for 14- to 16-year-olds.

## SCHOOLS INSPECTION

London University's Vice-Chancellor, Professor Stewart Sutherland, has been appointed as Her Majesty's Chief Inspector of Schools in England.

The office of Chief Inspector of Schools – a new non-ministerial government department – will be established in September 1992 under the Education (Schools) Act 1992 (see p 459, 1991). His main task will be to design and implement a very substantial increase in the number of full school inspections each year, using the new independent registered inspectors. In so doing, he will have to achieve credibility with parents, teachers, school managers and local and national policy makers.

The Chief Inspector will be responsible for:

– giving professional advice and judgment on the performance of schools and other specified sectors of education;

– formulating an inspection programme and deciding which reports arising from that work should be published;

– determining registration criteria for the independent inspectors and making arrangements for monitoring compliance with statutory provisions at local level;

– encouraging competitive practices among registered inspectors;

– managing contracts for the inspection of about 6,000 schools each year;

– dealing with matters concerning the Inspectorate raised by Members of Parliament; and

– ensuring the development of financial, information technology and personnel management systems to support these responsibilities.

Under the Act the Education Secretary can draw to the attention of the Chief Inspector aspects of government policy relevant to the Inspectorate's functions and ensure that he takes these into account in exercising his functions. The Act does not allow the Education Secretary to tell the Chief Inspector what to do or restrict what he may or may not say.

The Chief Inspector will be assisted by a staff of Her Majesty's Inspectors, whose numbers will fall over five years as some of their functions are taken over by registered inspectors. There will also be a supporting staff of administrators and other specialists.

# Shorter Notes

## PLANNING

New regulations governing planning permission for development by local authorities or on their land were announced by the Minister of State for Housing and Planning, Sir George Young, on 11 May.

The regulations, which will apply to England and Wales, are being drawn up to replace existing regulations dating from 1976. It is intended that the new arrangements will be in force by the end of June. The main features will be that:

– local planning authorities will continue to be able to grant themselves planning permission for their own developments or joint ventures;

– all other developments on council-owned land will require planning permission from the responsible local planning authority;

– local planning authority applications will be subject to broadly the same statutory procedures as those for other applications, including the same degree of publicity;

– applications may not be determined by a committee, sub-committee or officer responsible for the management of the land or buildings concerned;

– planning permission granted to local planning authorities for their own or joint development will not pass to subsequent owners of the land;

– councils will not be able to exclude the public from committee meetings at which local authority development proposals are discussed; and

– local planning authorities will be required to inform the Secretary of State for the Environment of all council applications that do not accord with the provisions of the local development plan, giving him the opportunity to call them in for his own determination.

Sir George said that the new regulations would reconcile local planning authorities' need to carry out their statutory functions with safeguards on accountability and publicity.

Source: *Hansard*, Vol 207, No 9, written answers, col 15.

## HOUSING TENURE

A total of £27 million was paid in grants to council tenants to help them move into homes of their own in the first two years of local authority cash incentive schemes, according to a government review published on 27 May.[1]

Under cash incentive schemes, existing council tenants can receive a grant to help them buy a home on the open market. Their council accommodation is thereby released for reletting to those in housing need. The review, covering 1989-90 and 1990-91, shows that in the first year 40 local authorities ran schemes paying 382 grants totalling £4 million. In the second year 91 local authorities ran schemes paying 1,453 grants totalling £23 million; 1,130 properties had been released

[1] *Cash Incentives Review*. Department of the Environment. HMSO, £6.70. ISBN 0 11 752660 6.

as a result of the extra funding under the Government's Homelessness Initiative (see pp 151-2, 1990). The average grant paid was £10,600 in 1989-90 and £15,800 in 1990-91. However, this varied considerably by region, with average grants in 1990-91 varying from £8,800 in the South West up to £17,300 in London.

Commenting on the findings of the review, Mr Tony Baldry, Parliamentary Under-Secretary of State at the Department of the Environment, said that cash incentive schemes were a useful tool for local authorities in areas of housing stress, allowing the double benefit of helping existing tenants into low-cost home ownership and releasing council housing for reletting to those in need. In London in 1990-91 grants had released homes at an average cost of about £17,000, compared with the average annual cost of about £13,000 for keeping a household in bed-and-breakfast accommodation. 'All authorities in areas of housing need should examine very carefully the part these schemes can play in their housing investment programmes.'

Source: Department of the Environment news release, 27.5.92.

## CHARITY COMMISSIONERS' ANNUAL REPORT FOR 1991

Over 25 per cent of adults regularly help charities on a voluntary basis, says the annual report of the Charity Commissioners for England and Wales,[1] published on 21 May.

The Charity Commission is a supervisory body which maintains a central register open to the public and containing details of all charities obliged to apply for registration. The Commission also advises and regulates charities, and investigates and checks abuse. In their report for 1991 the Commissioners note that:

– over 166,500 charities were entered on the Commission's new computerised register;

– over 4,000 new charities were registered, covering areas such as sporting facilities for school children and university students; educating the public in protecting and improving the natural environment; providing relief among Kurdish people; and relieving poverty or sickness and advancing education in territories of the former Soviet Union;

– money flowing through charities is estimated at more than 4 per cent of gross domestic product;

– the charitable sector has an annual turnover of some £8,000 million;

– the Commission completed almost 400 investigations into suspected abuse in 1991, compared with some 300 in 1980;

– through its work in investigating and monitoring charities, the Commission protected charity property worth approximately £16.8 million – an increase of £9 million over 1990 – while charity property (mainly cash) recovered during the year amounted to £800,000 – an increase of almost 60 per cent over 1990.

Welcoming the publication of the report, the Home Secretary, Mr Kenneth Clarke, commented on the increasing success of the Commission 'in rooting out those individuals who seek to abuse charity and the goodwill of the public for their own financial gain'. He said that the implementation, later in 1992, of the new Charities Act, which is designed to strengthen the Commission's powers and increase the public accountability of charities (see p 90), would greatly enhance the Commission's work and allow it to continue its role as a source of advice and assistance to those committed to charitable work.

## WORKING GROUP ON WOMEN'S ISSUES

The establishment of a new working group on women's issues was announced by the Secretary of State for Employment, Mrs Gillian Shephard, on 20 May. The Secretary of State made the personal appointments to the group 'to raise the public profile of issues that are important to women in their daily lives, in the workplace and beyond'. The appointments include a number of women

[1] *Report of the Charity Commissioners for England and Wales for the Year 1991.* HMSO, £8.75. ISBN 0 10 201493 0.

prominent in government and industry. Mrs Shephard said that she would be asking the group to advise her on some of the most intractable barriers that held women back. There was a sound legal framework to ensure equal opportunities,[1] 'but it is imperative that we tackle some of the deep-rooted traditions and prejudices that still work against women'.

Among the issues to be considered by the working group are childcare, public appointments for women in the regions, and training and education to broaden opportunities. Mrs Shephard said that the first priority would be to advise her on the most effective way of implementing the Government's commitment to establish facilities for after-school and holiday childcare through the Training and Enterprise Councils (TECs). The group would be asked to look at a number of specific questions, such as whether the training and education provision properly reflected women's needs and what action was being taken by TECs to make sure that it did.

The Secretary of State has special Cabinet responsibility for women's issues following the change in departmental responsibilities (see p 126). Mrs Shephard said that she would be chairing a Cabinet Committee on Women's Issues (see p 155) , which would be able to institute action across government as a whole. The Women's National Commission – an official advisory committee on which about 50 of the main national women's organisations are represented – would continue its remit of conveying to the Government the views of the wide variety of women whom it represented.

Mrs Shephard said that imaginative and flexible measures needed to be developed to enable both women and men to combine work and family commitments. She was 'confident that the working group, the new Cabinet committee and the Women's National Commission will act as a true focus in dealing with women in the workplace and beyond'.

Source: Department of Employment news release, 20.5.92.

[1] For information on the legal framework and on other features of the Government's policy see *Women in Britain.* Aspects of Britain: HMSO, £5. ISBN 0 11 701632 2.

## NATIONAL ARTS AND MEDIA STRATEGY

On 11 May the Arts Council published a major consultation paper on the arts and media[1] in England. It marks the final phase in developing a national strategy for the arts, commissioned by the Government in 1990 (see p 151, 1990). The draft has been produced in consultation with leading arts organisations, local government authorities and the museum funding bodies after the largest consultation exercise yet undertaken about the arts in Britain. The draft places emphasis on education, innovation, quality, variety, opportunity and partnership.

The strategy recommends that:

– an arts subject should be made a mandatory part of the National Curriculum for 14- to 16-year-olds;

– the central place of education in the arts should be reflected in the support and funding provided for arts organisations;

– the funding system should ensure that there are sufficient staff and resources to support participatory arts at a national and regional level;

– there should be a right of access for disabled people to publicly funded arts buildings;

– the funding system should be equipped to support black people's art as a matter of course;

– the position of women as artists and interpreters of art should be reviewed, with a more positive attitude towards employment practice, taking into account child care provision and career breaks for raising families; and

– imaginative ways of encouraging innovation, variety and quality should be developed.

The Arts Council intends the final version of the strategy, to be published in September 1992, to be a radical re-assessment of the arts and of how best they can be sustained and developed for the benefit of both artists

[1] *Towards a National Arts and Media Strategy.* Available free from the National Arts and Media Strategy Unit at the Arts Council, 14 Great Peter Street, London SW1P 3NQ.

and audiences. The Scottish and Welsh Arts Councils are co-ordinating parallel exercises.

## EXPORT CONTROL OF WORKS OF ART

The Government has decided against listing important paintings and other heritage objects to prevent them from being exported.

On 5 June the Secretary of State for National Heritage, Mr David Mellor, announced the Government's response to the recommendations of the Reviewing Committee on the Export of Works of Art.[1] He said that he had decided against the Committee's proposal to introduce a very restricted list of heritage objects which could be prohibited from export. [The Committee had recommended setting up a small list of some 2,000 to 3,000 pre-eminent items in order to define those few items which could be sold within Britain but not exported.]

Mr Mellor considered that the disadvantages of listing far outweighed the advantages. Listing, he said, 'would diminish the rights of owners to dispose of their property as they saw fit, and prohibition upon the export of outstanding heritage items would distort the market value, both for outstanding items and others.' The Minister reminded the House of Commons that there were alternative ways of protecting the heritage, such as the scheme enabling the Government to accept significant objects in place of inheritance tax.

Source: *Hansard*, Vol 208, No 22, written answers, cols 646-7.

[1] *Report of the Reviewing Committee on the Export of Works of Art 1990–91*. Cm 1641. HMSO, £13.65. ISBN 0 10 116412 2.

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*Development of the Oil and Gas Resources of the United Kingdom 1992* (see p 188). Available from the Department of Trade and Industry, P.O. Box 30, Alton, Hampshire GU34 4PX. £30. ISBN 0 9045 5233 0.

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*The Education of Very Able Children in Maintained Schools. A Review by HMI* [Her Majesty's Inspectorate]. Outlines the current state of provision for very able children in maintained schools and describes some of the better practices taking place. HMSO, £2.95. ISBN 0 11 270790 4.

*Non-Teaching Staff in Schools. A Review by HMI.* Describes and evaluates some of the work undertaken by paid non-teaching staff in primary and secondary schools. HMSO, £3.50. ISBN 0 11 270788 2.

*Student Grants and Loans: A Brief Guide 1992-93.* Provides information on the system of financial support for students in England. Available free from Department for Education, Publications Centre, PO Box 2193, London E15 2EU. Similar guides are published by the Scottish Office Education Department, the Department of Education for Northern Ireland and the Welsh Office Education Department.

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*Press Complaints Commission: First Annual Report 1991* Available free from the Press Complaints Commission, 1 Salisbury Square, London EC4Y 8AE.

# Further Information Points

Ministry of Agriculture, Fisheries and Food, 3 Whitehall Place, London SW1A 2HH.

Central Office of Information, Hercules Road, London SE1 7DU.

Central Statistical Office, Government Offices, Great George Street, London SW1P 3AQ.

HM Customs and Excise, New King's Beam House, 22 Upper Ground, London SE1 9PJ.

Ministry of Defence, Main Building, Whitehall, London SW1A 2HB.

Department for Education, Sanctuary Buildings, Great Smith Street, London SW1P 3BT.

Department of Employment, Caxton House, Tothill Street, London SW1H 9NF.

Department of the Environment, 2 Marsham Street, London SW1P 3EB.

Foreign & Commonwealth Office, King Charles Street, London SW1A 2AH.

Department of Health, Richmond House, 79 Whitehall, London SW1A 2NS.

Home Office, Queen Anne's Gate, London SW1H 9AT.

Board of Inland Revenue, Somerset House, London WC2R 1LB.

Office of the Minister for the Civil Service, Government Offices, Horse Guards Road, London SW1P 3AL.

Department of National Heritage, Government Offices, Horse Guards Road, London SW1P 3AL.

Northern Ireland Information Service, Stormont Castle, Belfast BT4 3ST.

Overseas Development Administration, 94 Victoria Street, London SW1E 5JL.

Scottish Information Office, New St Andrew's House, Edinburgh EH1 3TD.

Department of Social Security, Richmond House, 79 Whitehall, London SW1A 2NS.

Department of Trade and Industry, Ashdown House, 123 Victoria Street, London SW1E 6RB.

Department of Transport, 2 Marsham Street, London SW1P 3EB.

HM Treasury, Parliament Street, London SW1P 3AG.

Welsh Office, Cathays Park, Cardiff CF1 3NQ.

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